THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

NATIONALIST CHINA "BREAKS" WITH SOVIET RUSSIA!

密勒氏評論報

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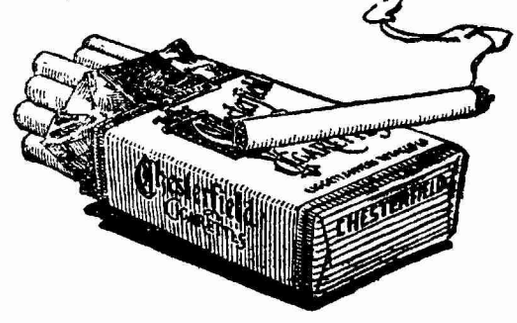

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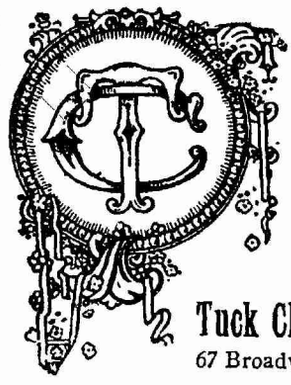

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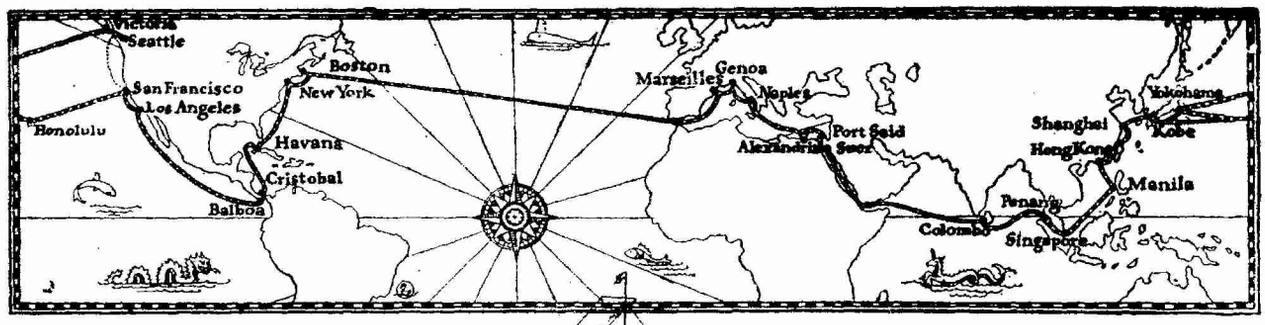

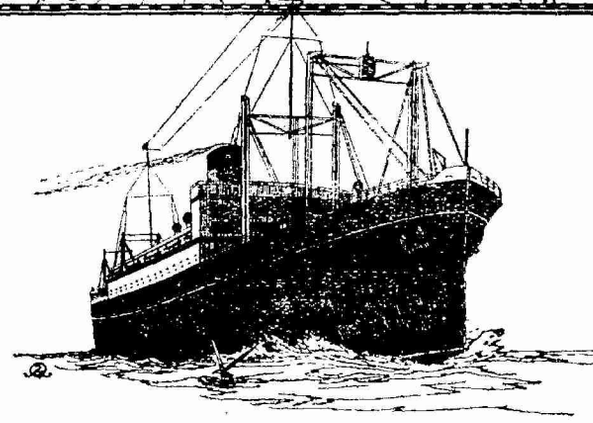

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KICKING THE PROPS FROM UNDER EXTRATERRITORIALITY

THE *Shanghai Times* performed a good service for newspaper readers in Shanghai last week when it presented in parallel columns the decisions of the American and Swiss Courts in the Widler-Crawley Cases. These two men, Elly Widler, a Swiss citizen and Knight M. Crawley, an American citizen, were charged with defrauding a Chinese General, Yang Sen out of $73,-200 by means of a fake deal in ammunition. Under the curious legal situation which prevails in China owing to extraterritoriality, Crawley was tried in the American Court where Judge Milton D. Purdy adjudged him guilty on a charge of fraud and sentenced him to 15 months in the U. S. Federal prison at McNeil Island, State of Washington. Crawley was also forced to surrender to the Chinese the sum of $30,000 which was his share of the deal. Widler, being Swiss was tried before the local Swiss Consul General, Major J. L. Isler. Practically the same evidence was presented against Widler which was used by Dr. George Sellett, the U. S. District Attorney in the conviction of Crawley. Furthermore it was proved quite conclusively in the American Court that Crawley, the American, was more or less the tool of Widler who had framed the deal. But despite this the Swiss judge let Widler off with a sentence of only 90 days, 60 of which he is to spend in his own home. The Swiss Court also ruled that in view of the fact that Widler's transactions were illegal, the Chinese could not recover the money amounting to $43,000 which was Widler's share of the deal. During the course of the hearing in the Swiss Court Widler declared that the evidence which he had presented in the American Court in defense of Crawley was false, "since it had been given to assist my partner. Crawley." When Judge Purdy sentenced Crawley he declared that "if Crawley is guilty, then Widler is equally guilty." But Widler, being Swiss had to be tried before his own court. Thus are some foreigners themselves deliberately kicking the props from under their own extraterritorial rights in China for it was quite conclusively shown in the course of the trial of Crawley in the United States Court for China that Widler was the prime mover in the deal to swindle the Chinese General out of his money and that there probably was never any intention to deliver any arms. Had the foreigners deliberately tried they couldn't have presented the Chinese with a better argument on the miscarriage of justice under the extraterritorial system. And Switzerland, the home country of both Widler and his Consul-General Major Isler, is the seat of the League of Nations, an organization supposedly interested in the propagation of international justice.

Nationalist China "Breaks" With Soviet Russia

THE Chinese Nationalist Government on December 15 handed Mr. S. Koslovsky, the Consul-General of the U. S. S. R. in Shanghai an official notification giving the Soviet officials a period of one week to leave China. The official "cessation" of relations also included various Soviet State institutions such as the Dalbank, the Mercantile Fleet, trading agencies and so on. Simultaneously with the handing of the Note to the Soviet Consul-General, Mr. Quo Tai-chi, Chinese Commissioner of Foreign Affairs at Shanghai issued to the press the following statement and copy of mandate which had been passed by the Nationalist Government at Nanking:

"In a mandate dated December 14 the Nationalist Government ordered that recognition accorded to the Consuls of the Union of Soviet Socialist Republic stationed in various provinces under the jurisdiction of the Nationalist Government shall be withdrawn and that the Soviet State commercial agencies in the various provinces shall also suspend their functions. The Ministry of Foreign Affairs is instructed to superintend its subordinate organs and to act in conjunction with the other government authorities concerned to put into execution this mandate with due care and vigilance.

The Sequel to Canton

"This momentous step was forced by the startling event which occurred in Canton on the 11th of the current month, when the Communists took forcible occupation of the city, followed by an orgy of plunder, massacre, and incendiarism. It was discovered that this rising was made possible because the Soviet Consulate and the Soviet State commercial agencies were actually accomplices of the Communists, having long since permitted the use of their premises as a base for communist operation. Not considering the material damages consequent to such armed disturbance, but the fact itself that the quarters of diplomatic representatives, enjoying as they do such rights of immunity, should be used as headquarters of Red propaganda and asylum for Communists, is a most flagrant violation of international ethics.

"The Government is in receipt of various reports to the effect that risings of a similar nature as the one which occurred in Canton have been planned to take place in other important districts within the Nationalist jurisdiction, incidental to an elaborate programme of the Communist Party for the destruction of the Kuomintang and the Nationalist Government. The Party and the Government are determined to stamp out the Communists, whose presence has always been a source fraught with incalculable dangers, with all the resources at their disposal, of which the execution of the mandate must be considered as a substantial step forward.

The Nationalist Mandate

"The Nationalist Government has, for some time, been informed by various reports that the Soviet Consulates and the Soviet State commercial agencies in areas within the jurisdiction of the Nationalist Government have been used as headquarters of Red propaganda and asylum for Communists. An exposure of these facts has been so far withheld by the Government in view of the international relations existing between China and Russia.

"On the 11th of the present month, a rising took place in the city of Canton culminating in the forcible occupation of the city by the Communists, who cut off all communications and burnt, plundered, and massacred throughout the city. This startling event with all its disastrous consequences is mainly attributed to the fact that the Communists have availed themselves of the Soviet Consulate and the Soviet State Commercial Agencies as a base to direct their operations, and the fear is entertained that occurrences of like nature may take place elsewhere.

Maintenance of Peace

"With a view to maintaining peace and order and to prevent the further spreading of such disasters, the Government feels that such a state of things, fraught with incalculable dangers to the Party and State, can no longer be tolerated. Therefore it is hereby ordered that the Consuls of the Union of Soviet Socialist Republic stationed in the various provinces shall suspend their functions, in order that the root of evil influence may be eradicated and a thorough inquiry instituted. The Ministry of Foreign Affairs is instructed to superintend its subordinate organs and to act in conjunction with the other government authorities concerned to put into execution this Mandate with all due care and to report thereon.

The next day following issuance of the foregoing mandate, the Nationalist Government issued a proclamation to the following effect:

PROCLAMATION

"In accordance with Article 4 of the order of the Ministry of Foreign Affairs withdrawing the Nationalist Government's recognition of Soviet Russia and suspending the functioning of all Soviet Commercial Agencies, all Soviet subjects are hereby ordered to present and register themselves at this office beginning from today, Dec. 16 till Dec. 23. Those Soviet subjects who intend to return to their country are also hereby ordered to apply for passports within the above-stated period so as to be sure of a safe departure from China. All violations of this order shall be dealt with according to law.

"Moreover, all self-declared "White" Russians who have not yet registered themselves as such at this office, are ordered to do so at the same time. Failure on their part will automatically nullify their declared status and they shall be classified as Soviet subjects." By order

Quo Tai-Chi.

Office of Commissioner of Foreign Affairs
Shanghai, Dec. 16, 1927

Mr. Chitcherin, Peoples' Commissar for Foreign Affairs of the Government of the U. S. S. R. on Saturday, December 17, handed to the representative of the Nationalist Government in Shanghai, an official reply of which the following is a rough translation:

"1—The Soviet Government has never recognized the so-called Chinese Nationalist Government at Nanking in whose name the Note of December 15 was handed to the Consul-General of the U. S. S. R. in Shanghai. The Nationalist Government must be acquainted with the fact that all Consulates of the U. S. S. R. exist on Chinese territory in consequence of the treaty concluded between China and the U. S. S. R. and signed in Peking in 1924 and that all appointments of Consuls for Shanghai as well as in any other places in China were made with the knowledge and consent of the Peking Government. The Shanghai authorities as well as other local Chinese authorities have only taken notice of these appointments. In consideration of these facts, the statement in the Note of the "Nationalist Government," concerning the cancellation of the recognition of the Consuls in the different provinces can only mean that the Chinese generals who have seized power in Nanking, acting under pressure of the Imperialists have thought it advisable to have in the territory under their domination, only the Consuls of such Powers as are maintaining the unequal treaties with the Chinese.

"2—The Soviet Government has to repudiate in the most energetic manner the completely unfounded statement contained in the Note of December 15 to the effect that the Soviet Consulates and the State Commercial Agencies are to be considered responsible for the Red propaganda and as an 'asylum for the Communists.' We have to repudiate especially in a most energetic manner the allegation that our Consulate in Canton was guiding the revolutionary movement of the peasants and workers in Kwangtung province. It is an old attempt to consider the revolutionary movement of the workers and peasants in China as a consequence of the activities of the Soviet official institutions. For years the enemies of the Chinese people, the Imperialists of all countries, have considered the great revolutionary movement of the Chinese people as a consequence of the intrigues of exterior forces. The fact that the 'Nationalist Government's at Nanking is repeating now the counter-revolutionary legends of the suppressors of the Chinese people, prove better than anything else whose will the 'Nationalist Government' is actually performing now.

"3—The Soviet Government is convinced that the attitude of the Chinese authorities in Shanghai will do harm first of all to the nationalist interests of China. The people who now so lightly start a hostile policy against the U. S. S. R. will be the first who will feel the harm thereof."

The action of the Nationalist Government in closing the Consulates and State agencies was precipitated by a resolution which was passed by the Preliminary Conference of the Central Executive Committee of the Kuomintang Party which was held in Shanghai during the week of December 3-7. This

resolution was kept secret, and according to report it recommended the breaking off of relations between the Nationalist Government and the U. S. S. R. but referred the matter to the forthcoming Fourth Plenary Conference of the Kuomintang Central Executive Committee which is scheduled to be held in Nanking between January 1 and 15. However, the coup-d'etat of the laborers and peasants organizations at Canton precipitated earlier action, as a result of which Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government was instructed to proceed at once to the carrying out of the action. Gen. Chiang Kai-shek, as was reported in last week's issue of *The Review*, declared in the course of interviews with Chinese and American newspaper correspondents on Monday, Dec. 12 that in view of the developments at Canton it would be necessary for the Nationalist Government to break off relations with Soviet Russia and close the Russian consulates located in Nationalist territories at Shanghai, Canton and Hankow.

The most significant statement on this subject, however, was made by Mr. Quo Tai-chi, Commissioner of Foreign Affairs at Shanghai in an address delivered before the annual meeting of the American University Club in Shanghai on the evening of Wednesday, Dec. 14 when Mr. Quo declared that the question which was facing the Nationalist Government was: "Shall China develop along Soviet lines, or along Anglo-Saxon lines?" Then proceeding to answer his own question, Mr. Quo declared: "Since the beginning of the Northern Military advance of the Nationalist armies more than a year ago the influence of Soviet Russia has been predominant in both the Kuomintang Party and the Nationalist Government. But with the discovery of Communist plots which we are convinced have been instigated by Soviet Russia the Nationalist Government has now become convinced that it should rid itself of Communist influence which we are convinced has been largely responsible for the trouble which has developed in our party and government. We are convinced that the sole object of the Communists is to create disorder and ultimately complete chaos. China is now 'fed up' on Communist activities and we believe that if the Nationalist movement is to be successful, we must rid ourselves of all Communistic elements. It is needless for me to dwell upon the difference between the Communist and Anglo-Saxon systems, but when it comes to a decision on the question of whether China is to develop along Communistic or Anglo-Saxon lines, I am convinced that our American university and college training (Mr. Quo is a graduate of Pennsylvania University) prompts us to sympathize with the Anglo-Saxon system. I therefore consider it the duty of American-trained Chinese men and women to help the Nationalist movement and exert their influence in order that we my travel along the road of peaceful, orderly governmental development. We must obtain the cooperation of other Powers in the interest of world peace. All must cooperate in this important movement to bring about a new orientation of Kuomintang policy." Gen. Chiang Kai-shek also made a significant statement in connection with the matter of cooperating with other Powers when he declared that the "Nationalist Government should at once arrange to cooperate with other Powers interested in preventing the spread of Communism."

This completes the story of the "break" with the exception of certain unfortunate incidents at Canton and Hankow wherein Chinese military elements have been, according to the press reports, guilty of alleged barberous actions which if correctly reported, are likely to counteract certain beneficial results in public opinion abroad which China might gain as a result of breaking off relations with the Soviet Government. Reports from Canton (rather from Hongkong) have told of the raiding and occupation of the Soviet Consulate in that city by the Chinese military and of the parading through the streets of Russian citizens, some of whom were reported to have been publicly executed at the hands of a firing squad. The first reports stated that the Consul-General and Vice-Consul had also been executed, but this was not confirmed. At Hankow the Soviet Consulate-General was also raided and the inmates, including women and children, taken to a concentration camp where they were detained for a few hours until they could be sent to Shanghai on a Chinese river steamer. The military at Hankow raided all of the foreign areas with the exception of the Japanese Concession and all Russians, both Reds and Whites were marched through the streets, some of them in their nightattire with their hands tied with ropes, according to the report. Owing to the inability of the Chinese military at Shanghai to function within the International and French Concessions, the Russians here received more consideration. The Soviet Consulate General, as soon as the local Municipal authorities were advised of the break in relations between China and the U. S. S. R, was surrounded by British policemen who required all who entered or departed from the building to submit to search. This included women, who were taken to the nearest police station where a woman police attendant performed this function.

In further explanation of the action of the Nationalist government in closing the consulates and quasi-official Russian functions within the Nationalist territory, Dr. C. C. Wu, Minister of Foreign Affairs of the Nanking government in an interview with American newspaper correspondents on, December 18, said "This action of the Nationalist government was taken reluctantly and solely as a means of self-defense after considering all other possible means to stop certain pernicious Russian activities within China's revolutionary movement. In trying to suppress those subversive and dangerous activities we have no hostility toward the Russian people for whom we have much sympathy. Our action is not intended to constitute a severance of political or commercial relations. China has an extensive trade with Russia and if some method can be worked out whereby this trade can be continued without the complications which have developed in the past, China would be quite willing.

"We realize further that for geographical and other reasons China's relations with Russia should be friendly and our anxiety now is to handle this unfortunate but purely defensive action in such a way that it will leave the minimum of ill-feeling on both sides and leave no formidable impediment, when the Chinese revolution fulfills its destiny and creates a stable state in our country, to once again resume friendly relations with our neighbor."

When questioned regarding the truth of reports from Hankow and Canton regarding alleged untoward treatment of Russians incidental to the suppression of recent Communist activities, Dr. Wu said, "I have received no confirmation of such incidents. The only dispatch, which I have received from Hankow, was one from the Commissioner of Foreign Affairs there requesting protection for the Russian Consul-General and party, numbering some 16 persons, when they pass through Shanghai enroute to Russia."

In reference to reports of disorders at Canton,

incidental to the suppression of the Red uprising there, Dr. Wu said, "The Cantonese people were naturally deeply affected by the spectacle of having their homes burned and their relatives murdered under the direction of Russians. It must be realized that in a time of turmoil and high feeling Russians caught red-handed in such activities, will be summarily dealt with.

"It is generally known that the local government at Canton, under Communist or semi-Communist influence, had temporarily passed from the authority of the Nationalist government at Nanking some weeks ago, hence no official reports have been received regarding the manner of dealing with the suppression of the Red uprising or the handling of Russian citizens there.

"We hope any such incidents as reported in foreign dispatches from Canton and Hankow have not taken place.

"We desire to emphasize that all Soviet Russian citizens will be treated as humanely as possible in the evacuation of the Soviet officials and any other Russians who desire to leave China. We wish to observe strictly the diplomatic and humane amenities. Moreover, Russians who remain in Nationalist territory will be given full protection under proper safeguards.

"The government is now drafting regulations looking to the registration of all Russians, regardless of political affiliations, who desire to remain in Nationalist territory."

When questioned regarding political differences and factional clashes between Red and White Russians in China, Dr. Wu said: "China also objects to the activities of White Russians who wish to make Chinese territory a base for operations against the Soviet government."

ANOTHER CHAPTER IN THE RADIO TANGLE

ANOTHER CHAPTER in the long, drawn-out controversy over radio rights in China was written by Mr. Quo Tai-chi, commissioner of Foreign Affairs at Shanghai for the Nationalist Government when he handed the American and Japanese consuls at Shanghai on December 16 an official protest against a reported secret agreement between the "defunct" Peking Government and the Japanese and American Governments regarding radio rights in China. Mr. Quo stated in his protest that the Nationalist Government had received information that the American and Japanese Governments had reached an agreement regarding a division of radio rights in China in accordance with which America would shortly begin construction of a wireless station near Shanghai. He declared that in case these reports are true that it would lead to the international control of radio in China, "which might have serious effects upon the telegraph administration of China in the future." The Nationalist Government, "in order to protect China's rights, protests most emphatically declaring its refusal to recognize the legality or validity of any agreements that might have been entered into between Peking and the American and Japanese Ministers, and furthermore the Nationalist Government will under no circumstances consider itself bound by any secret understanding or any other agreement between the Peking regime and other foreign Powers."

ASIDE from the fact that Mr. MacMurray, the American Minister has held private conferences with the Minister of Foreign Affairs and with Marshal Chang Tso-ling in Peking, there has been no official statement from any quarter regarding the radio question. When the American Minister was in Japan on his recent return from Washington, he was asked by the Japanese newspapermen regarding an alleged understanding with the Japanese on the question of radio rights in China, but Mr. MacMurray denied any knowledge of any agreement having been reached. However, the *Osaka Mainichi*, on December 10 carried a report that an agreement had been reached by Mr. MacMurray and Mr. Debuchi, Vice-Minister of Foreign Affairs of Japan on November 29, whereby the Americans and Japanese would pool their interests, the Japanese to continue to control and operate their station near Peking while the Americans would construct a station at Shanghai. It was also stated in this connection that as soon as Mr. MacMurray reached Peking that negotiations would be opened with the Chinese Foreign Minister to settle the details with Chang Tso-ling's Government. This radio controversy between America and other foreign interests is an old story which pre-dates the Washington Conference of 1921-1922 when American, Japanese and British companies obtained concessions from the Peking Government for the construction and operation of wireless stations on Chinese soil. The agreements were made with different departments of the Peking Government and in the case of the Japanese and British concessions the Chinese Government granted practical monopolies. Therefore when the American Company, the Federal Telegraph Company of California, entered into contract with the Ministry of Communications to construct on behalf of the Chinese Government a high-power station at Shanghai with feeder stations in various parts of the country, both British and Japanses interests protested on the grounds that the American contract violated their monopolistic agreements. The matter was referred to Secretary of State Hughes who supported the American Company on the ground that the British and Japanese concessions, being monopolistic, violated the Open Door Agreement. The British are understood to have withdrawn their protest, but the Japanese government went so far as to issue an ultimatum to the Peking Government declaring that it would consider it an unfriendly act if the American company was permitted to construct its stations. The deadlock which resulted has continued to the present, but from recent reports it appears that the American and Japanese interests have reached an understanding. In the meantime the Japanese have completed a station at Schwangchao near Peking which they claim is able to communicate with America and Europe. The British Marconi company has also completed stations at Urga, Tihwafu and Kashgar, but the one at Urga has been taken over by the Soviets and is being operated by them. The Federal Telegraph Company of California, which signed the original contract with the Peking Government, has since pooled its interests with the Radio Corporation of America which now has a controlling interest in the China concession. Another complicating element which has entered into the controversy is a monopolistic agreement which the British and Danish cable companies signed with the Chinese Government several years ago. These contracts, which include the so-called cable trust, affects the interests of the Great Northern, Eastern Extension and Commercial Pacific cable companies, all of which are controlled by British-Danish interests. The cable monopoly is said to expire in 1930 and it has been reported recently that negotiations for renewal have been under consideration.

Action of Nationalists Causes Curious Situation in Chinese—Russian Relations

THE Action of the Nationalist Government in *breaking* with Soviet Russia has brought about a curious situation in the relation of the two countries. We italicize the word, "break" because there seems to be a difference of interpretation of the action which the Nationalists have taken. The Note which was handed to Mr. S. Koslovsky, Soviet Consul-General here stated, "it is hereby ordered that the recognition accorded to the Consuls of the Union of Soviet Socialist Republics stationed in the various provinces shall be withdrawn and that the Soviet State Commercial Agencies in the various provinces shall suspend their functions." Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government, in a conversation with foreign newspaper correspondents in Shanghai on Sunday, Dec. 18 indicated that the action of the Nationalist Government was not to be interpreted as a "break in political and commercial relations" between China and Soviet Russia and that China would be agreeable if some method could be worked out whereby the trade relations could be continued without the "evil influences" which had characterized the previous relations of the two countries. The action of the Nationalists brings about a curious situation in China's relations with the Soviet because, as the Russian Note to Mr. Quo Tai-chi indicated, Soviet Russia's present relations with China, generally speaking, are based upon the treaty of 1924 which was signed by Russia with the Peking Government. Under this agreement there is still a Chinese Minister functioning in Moscow and while the Soviet Ambassador was forced to leave Peking, the Peking Government has thus far not interfered with the Soviet Consulates located in North China at Peking, Tientsin, Kalgan, Mukden, Harbin and in Kansu province. The new situation has its amusing features because up to the decision of the Nationalists to "withdraw recognition" it had always been Marshal Chang Tso-ling who evinced antagonism toward Soviet Russia. Nationalist China from the day of the first meeting of Dr. Sun Yat-sen and Comrade Yoffe in Shanghai in January, 1923 has always been friendly with Soviet Russia. Now the situation has been turned around and it is rumored that the Soviet has recently improved its relations with the Peking Government, perhaps in anticipation of what the Russians expected to happen in their relations with the Nationalists. Mr. Borodin, the Soviet adviser to the Wu-Han Government is reported to have forecasted at the time of his departure last summer that the Nationalist Government probably would break off relations with Russia before the end of the year.

In considering this curious, if not to say dramatic situation which has developed in the relations of Nationalist China and the Soviet, one can't help thinking of the almost exactly parallel situation which developed in the relations of America and France shortly following the American revolution. Those who are familiar with the history of the American revolution will remember that it was the assistance of republican France and the French military advisers and adventurers including Lafayette who went to America, that finally turned the tide of the war against Great Britain in favor of the Colonies. The colonies signed a treaty of alliance with France on February 6, 1778 in accordance with which the French extended open assistance to the Colonies (the support had been secret before that time), but in 1798 Congress turned completely around and suspended intercourse with France and even abrogated the treaties, sent the French Minister home and more, dispatched a frigate to capture French vessels guilty of depredations on American commerce. The reason for this was the so-called Jay Treaty which the Americans had signed with England in 1794 whereby they agreed not to interfere in the war which was then being fought between England and France. France, in view of the assistance which she had rendered the Colonies against England, had demanded that the Colonies help Frence against England and when the Colonies refused to abrogate the Jay treaty, the French Minister exceeded his prerogatives with the aforesaid results. One can't help being struck by the similarity of the situation which has developed in the relations of China and the Soviet, for no one questions the fact, least of all the Nationalists, that Soviet influence was a potent factor in the success of the Nationalists in their drive from Canton to the Yangtsze Valley. But many things have happened since Hankow and Shanghai were captured last spring. Nationalist China has now turned against their Soviet friends and has told the Consuls to go home. The inside details regarding causes for the present turn-about in China-Soviet relations, are yet to be told, but we imagine that when it is known the historical parallel in the relations of America and France will be more pronounced. Englishmen, and some Americans, in Shanghai who profess an inability to understand the almost universal feeling of sympathy which exists in the United States for the Nationalist Movement in China and the relations of the Nationalists with Soviet Russia could clarify their thinking tremendously by reading the history of the struggles of the American colonies against European domination. Just as the French alliance was the vital factor in turning the tide of the American revolution in favor of the Colonies, so in the case of China, it was the Soviet assistance and later alliance with Dr. Sun Yat-sen's Government at Canton which turned the tide of the Chinese revolution and forced the Powers to consider seriously the matter of revising their treaties and granting China equal status. China's battle is not yet finished, of course, but the tide has definitely turned and it is not improbable that the British may come out shortly with a "voluntary" denunciation of the unequal treaties and possibly recognition of the Nationalists, which action on the part of the British would certainly be followed by similar action on the part of the United States and Japan and the other Powers.

As stated in the foregoing it was the meeting of Sun Yat-sen and the Soviet Commissioner Yoffe in Shanghai in January, 1923 which paved the way for a treaty between China and Russia which was signed in Peking in 1924 and the definite alliance between the Kuomintang and Soviet Russia which was signed in Canton whereby Russia agreed to supply Dr. Sun's Government with military and civilian advisers, including Michael Borodin and with military supplies. Much has happened in the relations of China and Russia since the signing of that document and space is too limited for the recital, but the first indication of China's drifting away from the Russian alliance was when Gen.

Chiang Kai-shek refused to attend the Third Plenary Session of the Kuomintang which was held in Hankow following the occupation of that city by the Nationalist armies last March. The Kuomintang at that time was largely dominated by Soviet influence and the tendency of the revolution was in the direction of a social-labor regime if not actual communism, although Dr. Sun Yat-sen had professed belief that Communism could never attain a permanent foothold in China. There are quite definite indications that the Russians themselves were divided on this question, many persons who were close to Borodin stating that he opposed the activities of other Russians who were intent upon converting China into a Communist "paradise" which they had failed to accomplish even in Russia where the Communist Party supposedly exercises supreme control. It was the developments in Hunan and Hupeh provinces where village soviets were being established and where movements were afoot for dividing up the land, that struck terror to the hearts of the conservative Chinese bankers, businessmen and industrialists and made it comparatively easy for Gen. Chiang Kai-shek to raise money in Shanghai for the financing of his "white" Nanking Government. The inside story of the Nanking incident has never been told, but generally it is believed to have been precipitated for two purposes, both of which had the same objective: the killing of General Chiang Kai-shek as a political and military power and the precipitation of armed intervention on the part of the Powers. American newspaper correspondents who were in Hankow at the time of the Nanking incident declare that Borodin was both astonished and embarassed at the news for he realized immediately that it would likely spell the doom of the Nationalist movement as a "red" revolution. The Russian communists and their Chinese associates thought that by perpetrating the attack on foreigners at Nanking they would force the Powers to intervene and that would finish Gen. Chiang Kai-shek and at the same time throw the entire Chinese revolution into the arms of the radicals, the ultimate end of which would be a "red" revolution in China and possibly the future incorporation of China into the Soviet Union.

But the Powers did not intervene, thanks to the friendship or superior political sagacity of America, call it what you will, and as a result China was enabled to work out her own internal trouble without outside interference. The refusal of President Coolidge to sanction armed intervention following the Nanking incident, constituted the turning point in the Chinese revolution and at the same time marked the turning point of European influence and domination in China. Those familiar with the international political situation which prevailed at that time know that the British liberal and labor elements which were against intervention had been silenced and the British conservative "die-hard" war party was in the ascendency. Had President Coolidge wavered the least bit in favor of intervention the British would have pushed America in and the world would have had another war on its hands which might have had most far-reaching and disastrous consequences. What has happened since that time and recently in the relations of Nationalist China and Russia have been the inevitable aftermath of President Coolidge's refusal to intervene. Conservative Chinese immediately realized that America was not the "grasping" imperialist that they had been taught to believe by the propagandists and furthermore it was demonstrated that despite the "tory" attitude of certain American big-business interests such as the National City Bank, United States Steel Corporation and some others, which favored intervention and cooperation with Britain and Japan in the adventure, that America had a mind of her own and a policy of her own in dealing with the weaker nations of the Orient. The Russians have thus obtained few material benefits from their adventure in China; rather the reverse, at the present time. Fundamentally there should be little difference between Russian foreign policy toward China and American policy toward China. Owing to the rivalries between Russia and Japan in North China, and Russia and England everywhere, Russian policy toward China should be in the direction of strengthening China against outside aggression. This is exactly what America policy is. The chances are now that the Russian communists, having learned a bitter lesson through the failure of their attempt to introduce Communism into China will now turn around and become more practical in their foreign policy toward China. Evidence of this is indicated in recent domestic political changes which have taken place in Moscow. It is also indicated in recent moves which have indicated a drawing-together of Russia and Japan in the Far East and Russia and Germany in Europe. The position which China will occupy in this new picture is not yet apparent!

China's recent gesture in closing the Soviet Consulates and handing the Russian officials their passports shows unmistakably which way her leaders are looking. As Mr. Quo Tai-chi declared in his address before the American University Club last week, China has decided to follow the "Anglo-Saxon path" in her future development, which means that she would like to make friends with America and Great Britain and accept their assistance. China utilized Russian assistance in accomplishing the major phases of her revolution, that is, the conquest of the Yangtsze Valley and the spreading of Nationalist doctrine over the whole country. But when the Russian communists sought to dictate the course for China in her future development, China's racial solidarity and conservatism asserted itself. Now she has broken with the Russians. China thinks, or has been led to believe that the Western Powers, chiefly Britain and America, are now ready to talk business on the question of the treaties. If the Powers now respond and cease quibbling and delaying action on technical grounds the future should be more or less bright for western institutions in China, but the new arrangement must be based on the granting to China of absolute equality of treatment. This means in simple language revision of treaties to China's satisfaction and the surrender of foreign authority over China's territories, otherwise the concessions. This will be China's price for renouncing Communist influence and if the Powers are wise, they will accept it without further delay and make the best deal they can with Nationalist China for cooperation in the building of a NEW CHINA which all believe is bound to emerge from the present chaos.

Nationalists Would Protect Shareholders of China Merchants S. N. Co.

According to a report circulated by the *Kuo Wen* news agency on Saturday, December 17, Hsu Tse-yen, chief secretary of the Nationalist Ministry of Communications has announced that he has no intentions of interfering with the activities of the China Merchants Steam Navigation Company. Mr. Hsu announced that the Government was only interested in (1) eliminating corruption in the administration of the Company; (2) safeguarding the interests of the shareholders, and; (3) preventing a few directors from monoplizing the entire enterprise. The report stated that Chao Tih-chiao, the superintendent of the Company is assisting the Nationalist Government in reorganizing the Company's affairs.

The Good Roads Movement in Kweichow

BY O. J. TODD

A year ago I went into Kweichow to assist in starting and giving impetus to the Good Roads movement in that province. Chow Chi Tsun acting in his capacity as Governor of the province and also as Honorary Chairman of the Kweichow Committee of the China International Famine Relief Commission had sent me a cordial invitation to come there and despatched a special Representative to meet me on the Yunnan side of the border. Despite certain dangers enroute and inclement weather the journey was made in November and December, 1926, at which time definite arrangements were made for complete cooperation between our Committee and the local Government.

Little did I then think that with all the obstacles that lay in his path the Governor would be able to make good on his promises for 1927. He then told me he would build eight or ten miles of good macadamized road around the city of Kweiyang by using soldier labor suplemented by school-boys and school-girls above the age of fourteen all of whom would have to work in alternate shifts on this project. He also undertook to grade a new road 60 miles west to Anshunfu and another 150 miles north to Tungtze employing 10,000 or more soldiers. He planned to complete this work by the end of the year. It seemed to me that he had overestimated the strength of his organization and in spite of his enthusiasm he would probably fall far short of his goal.

It was a happy surprise, therefore, to be met several li west of the city of Kweiyang in late August of last summer by the Governor with a new seven passenger American automobile ready to take us the last few miles of our three weeks journey. The main part of it had been over narrow earth or stone paths, down steep slopes with long flights of stone steps to cross rivers and then up equally steep trails to the ridges above, for we had ridden horses from I Liang on the railway, just south of Yunnanfu, to south-west Kweichow at Changti, and then over the mountainous road or trail through the Hwa Chang Ho canyon to Anshunfu and Kweiyang. Mr. Todd accompanied me on horseback acting as interpreter and associate engineer.

The eight mile stretch of new macadam road promised last December had been completed and a motor car had arrived and been reassembled three days before. It had come in from Canton a 50 day journey, in boats and on bamboo litters or in parts on men's backs. Sixteen other automobiles had been ordered and were due for delivery by the end of the year for use on the road north to Tungtze.

As per agreement of last year I had employed two Chinese engineers and three assistants in Peking immediately on my return north in February and started them for Kweichow in early March. These men reached Kweichow in late April and soon undertook a complete survey of the projected road from Kweiyang to Chihshui, Mr. Wang, whom I placed in charge, is a graduate of an American Engineering college, has had three years training in the Ford auto works at Detroit, and an addition five years of general engineering practice including highway work in America.

This party went to Kweichow under my dirction emeployed by the Famine Commission. Before the end of October these men had completed the survey of the new road from Kweiyang to Tungtze and then on to Chihshui on a branch of the Yangtze. At the same time Mr. Wang had given field training to 80 technical students who were to become foremen in charge of construction.

During the three months of spring preceding rice planting the Governor had organized a force of 50,000 farmers and townpeople to work at road grading in place of using soldiers as previously planned. Magistrates were held respossible for the recruiting and feeding of workmen in the sections assigned them. The work was new to most of them and the supervision was not uniform nor as intelligent as could be desired. This was before our engineers arrived. However, the alignment was as straight as possible, right-of-way was cut 30 feet wide, and the right of eminant domain" was generally exercised.

Such enthusiasm was aroused in the spring that half the grading was accomplished from Anshunfu to Tungtze before rice planting time. At the city of Tsunyi macadamizing was begun and the beggers of the city kept at work breaking rock through the summer. As a rule construction was suspended from May to October while the farmers were needed at home with their crops. It was planned to have 100,000 men back on the work by mid-October in order to complete the grading by the end of the year

The present plan is to first complete all grading on the 200 mile stretch from Anshunfu to Tungtze and build the necessary culverts and bridges so that autos can traverse this line by spring. The one long bridge across the Wu Chang Ho will be left until later when more funds are at hand. Meanwhile a ferry system with a steel cable guide will be installed to facilitate the crossing of machines at all stages of water. During 1928 rockbreaking and surfacing will go forward all along the ling while the main force extends the grading 150 miles farther to Chihshui.

Though limestone rook is convenient all along this route the labor cost for macadamizing is high even where men are only paid food. It may take two to three years more to properly metal this entire 350 miles of road. At first the surfacing will be but 12 feet wide and later widened to 20 feet. Thickness of metalling will be from 6 inches to a foot. Packing will be by hand tampers and stone rollers pulled by men and oxen this first year. After connecting up at Chihshui an imported steam roller will be brought in to improve the entire line.

Where excessive grades have been used in the hurried construction of last spring under inexperienced staff line changes will be made to get up and down hills without exceeding 8% grades. All such changes have been staked out by our engineers and will be supervised by student engineers trained in the field. It is planned to make this road a first class thoroughfare for motor driven traffic and a means of dependable rapid transit through the heart of the province.

It is scarcely necessary to point out the urgent need for better and cheaper means for transportation in this remote mountainous region. Today the demand for carry coolies has brought transport up to nearly $1.00 (Shanghai money) per ton-mile for the daily wage of a carry coolie is about $1.00 per day when he goes 70 li with 70 catties. If he takes a load of the new crop of rice such as I found selling on the streets of Kweiyang and Tsunyi at less than 3 per catty he will eat it nearly all up in wages in two days. So Kweichow cannot export rice by carry coolies in years of plenty. Mule transport costs about the same. Other grains including corn and millet would fare about the same as rice. Timber, likewise, while being planted and grown commercially can only be exported profitably where there are good streams for floating it, such as are found in limited districts in north-east Kweichow. For ordinary trade the province must have roads that will carry freight much cheaper than heretofore. Then there is the matter of the movement of people and emergencies such as that of two years ago when a typhus epidemic followed a drought famine and people died like flies in the Tsunyi region. There was no way to get medical or other aid to them in time. It is from a humanitarian aspect that the Famine Commission is interested in this work and is making Famine Prevention its main program here as in other provinces in China. The opening up of more motor roads seems to be the soundest use of its funds, for the present.

In conclusion it should be stated that the Kweichow authorities showed a keen appreciation of such engineering advice as has been given them and a willingness to follow instructions both in method of construction and type of personnel. No more courtesy could possibly have been shown an engineer than was shown me this year as I made a study of the Kweichow situation and advised the Road Bureau on the problem they had attacked. Let me also add that at no time was there disorder in connection with our work or danger along the road I had to travel the seven weeks I was in the province.

Shanghai Dec. 17, 1927.

U. S. Exports From Shanghai During November

The report for November of exports to the United States from Shanghai, as issued by the U. S. Consulate General, shows a total of $3,401.954 for the month, and a total of $40,-610,868 for the eleven months of the year. The principal item is, naturally, silk of various kinds, which accounts for $2,340,076. The total for the eleven months of the year in silk is $23,444,298—considerably below the figures for last year. Bristles showed up well during the month with a total of $115,671, but there was no outstanding briskness in any one line. It may be mentioned that over a million and a half dollars worth of cotton laces were exported from Shanghai to the United States during the year up to the December 1, but of this amount only $116,612 was shipped during November. All figures are U. S. gold dollars.

The 1928 edition of the China Year Book, publish by *The Tientsin Press, Ltd.*, Tientsin, will be ready for distribution on December 31 of this year. The book will be somewhat larger than previously.

Did MacMurray Receive a "Spanking" at Washington?

(From the Baltimore Sun)

Washington, Nov. 15.—John V. A. MacMurray, United States Minister to Chtna, is returning to his post in the Orient with definite instructions that there must be no deviation from the time-honored American policy of sympathetic interest and amicable relations without military intervention.

Mr. MacMurray, recalled early in September at the request of Secretary Kellogg for a series of conferences on the Chinese situation, sailed last Friday for Peking from San Francisco on the S. S. President Pierce.

Rumors long have been current in well-posted diplomatic circles here that those charged with administration of this nation's foreign affairs have not been satisfied with Minister MacMurray's interpretation of United States policies in China. Observers drew attention to Mr. MacMurray's voluntary attempt to return home, only to be stopped and ordered back to his post some months prior to his actual recall by Secretary Kellogg, to sustain their contention that all was not as it should be at the American Legation at Peking.

Prediction Fails

Some even went so far as to intimate that Mr. MacMurray's tenure in the Chinese capital was short-lived, and that a man more of the type of Ambassador Dwight Morrow, newly appointed envoy to Mexico, was destined to succeed the young Far Eastern expert.

This prediction has fallen by the wayside, but the impression still prevailing here is that dissatistaction over Minister MacMurray's attitude reached such a pitch that his recall, if not presaging an actual spanking, was for the purpose of reinstilling in him "America's sympathetic interest toward Chinese Nationalist ambitions" and the fact that America must not become involved in the activities of other nations whose interests in China are said to border more on the commercial than the ideal.

Policy Meets Difficulties

It was pointed out today that operation of America's broad policy in China over a long period had created among the Chinese a good will for America that is almost unique. In recent years, it was said, American diplomatic representatives in China have not been confronted with the problems of creating something which already was there. They simply had to hold the good will which existed.

The American policy in China, one observer explained today, has a difficulty to contend with in that its tenets are almost inimical to the treaty status obtaining between China and most foreign governments having a foothold there. Particularly is this so, it was said, due to participation by citizens of this nation in the very privileges the American Government decries.

Pressure Put On Envoy

Consequently, he continued, although Minister MacMurray is said to have been a proponent of military intervention with threatened reprisals following the so-called Nanking incident, it may be said in his behalf that steering an even course during such a chaotic period was most difficult. For instance, it was said, pressure was exerted upon the United States Legation by American commercial interests, as well as by foreign diplomatic circles, to commit this Government to an ultimatum with sanctions or penalties. The State Department, as later events bore out, did no such thing, but continued pursuance of a broad policy of sympathetic understanding.

The plan advanced by Senator Hiram Bingham, of Connecticut, following an independent inspection of conditions in China, was regarded by many as a direct implication that the United States diplomatic representatives were failing in their mission of maintaining America's good will. Senator Bingham proposed that two army officers able to speak the Chinese language be assigned to each Chinese leader and thereby foster understanding and good will between China and theUnited States.

According to a *Reuter* report from Hongkong on Dec. 19 the Soviet Vice-Consul, a Mr. Hassis, was executed in Canton by Chinese soldiers during the suppression of the communist coup-d'etat. The report stated that four other Russians were also executed at the same time. Another report by the Japanese *Toho* agency stated that the number of Russians executed was 12 and that their bodies were left exposed in front of the Soviet Consulate for two or three days following the raid on the building which was completely stripped of its contents.

Ransome, Rasmussen, Baker And Gilbert!

The following editorial which is reproduced from the Japan Chronicle, is based upon three new books dealing with China, "The Chinese Puzzle" by Arthur Ransome, "What's Right With China," by O. D. Rasmussen, and "Explaining China," by John Earl Baker.

WHATS wrong with China? Two years ago Mr. Roduey Gilbert offered an answer to the question, culled from his own experiences, and now Mr. O. D. Rasmussen, who has lived in China since he was fourteen years of age, with the exception of the period spent in his education abroad, comes forward with a reply which he entitles "What's Right with China." Then we have Mr. Arthur Ransome, an experienced journalist aud correspondent, who was sent out to China by the *Manchester Guardian* and the *Baltimore Sun*, discussing "The Chinese Puzzle" in a series of papers, some of which have been already reproduced in our columns. Finally, to complete the trio, there is Mr. John Earl Baker, who has lived ten years in China as Adviser to the Chinese Ministry of Communications, with an endeavour to explain China.

Mr. Ransome's book is a reprint of the articles he contributed to the *Manchester Gnardian*, brought up to date with a few notes, for events move so quickly in China that even articles only a few months old are already obsolete. It is to be noted that Mr. Ransome, as well as Mr. Rasmussen, are in opposition to what may be described as the treaty-port view of the Chinese problem. Mr. Ransome appears to be even more open-minded than Mr. Rasmussen, for while the latter dismisses Borodin contemptuously as a Communist for whom he has no use, Mr. Ransome treats the Russian adviser seriously and describes him as a man with a good deal of humour, who talked of the Chinese with that "attitude of mixed admiration, laughter, and annoyance which in the course of years seems to become that of most foreigners who have much to do with them." This seems almost to make Borodin human. To take broad views in China, however, is to lay oneself open to persecution, if not to insult. Mr. Ransome did not describle the looting at Kiukiang in sufficiently lurid terms to suit the foreign residents, who also disapproved of the official British policy, and he had a warm reception in the wardroom of the Wild Swan, where they had assembled to try him. "I was put in a chair aud subjected to a concentrated bombardment from all sides," he writes. "I did my best in the unaccustomed role of a defender of Sir Austen Chamberlain, but at last asked whether they had similarly bombarded his official representative, Mr. O'Malley, who had been there the previous night. They said regretfully that he had insisted on going to bed. That, I suppose, was how it was that they had so much ammunition to waste on me." It was wasted, for Mr. Ransome has not spared the treaty-port foreigner in his description of that "Shanghai mind" which regarded the outrages at Nanking as a means of altering British policy, and was disappointed at the Note sent to the Nationalists, even though it called upon the Nationalitist "to assume responsibility for acts which only persons whose brains have been so steeped in propaganda that have ceased to be minds could possibly believe to have been desired by the Nationalist Government." Such at least is Mr. Ransome's opinion, and it is an interesting one in view of the fact that the first Shantung Expedition was sent by the Japanese Government on the excuse of a fear of a repetition of the Nationalist "outrages" at Nanking.

Mr. Ransome reminds us of one or two important facts and increases our knowledge by others. One of there reminders is that China is somewhat larger than Europe, although our atlases do not give it such prominence, and one of the facts is that all the Chinese are Nationalists temperamentally although they may find it to their interest to appear temporarily as Militarists. Some other reminders are that China's indebtedness per head of the population is rather less than ten shillings, as compared with £150 in Britain, and that there was an increase in the net profits of the Hongkong and Shanghai Banking Corporation in the year 1926. Furthermore China's trade turnover in 1924 was all but five times her trade turnover in 1900, the number of Chinese banks rose from one in 1902 to fifty-eight in 1920, and the proportion of Chinese capital to foreign capital engaged in industry is steadily increasing. The conclusion that Mr. Ransome draws seems inevitable, and that is "that what we are witnessing in China is not the decline of the country but its growing pains, and that in future years Chinese, looking back on the events which are now disturbing us, will consider them much as we consider the great changes in our social structure that preceded the Victorian elysium of the trading and manufacturing classes." No other hypothesis, Mr. Ransome thinks, will explain the support given to the revolutionary forces by

Chinese business men at home and abroad. No other hypothesis will explain the unanimity of the students in favour of a revolution. A unanimity which does not recognise any geographical distinction between North and South. "In general," Mr. Ransome notes, "the geographical distinction is a false one, and tends to obscure the real issue. It is a difficult thing to find an educated Chinese (outside that limited class whose interests are bound up with those of their foreign employers) who does not proclaim in any company in which he feels himself safe that his sympathies are with the Kuomintang."

Both Mr. Ransome and Mr. Rasmussen combat the idea that the Chinese are extra-human, that is outside the pale in which other nations consort on equal terms. Unfortunately Mr. Rasmussen, in his desire to restore the reputation of the Chinese, goes a long way towards making them, if not superhuman, at least super-Occidental. With the aid of a sledge-hammer style he slogs away at Mr. Gilbert and all that Mr. Gilbert represents, with the result that the reader who falls under Mr. Rasmussen's spell can only conclude that all the Chinese are angels and all the foreigners devils,—more especially those who have built up China's foreign trade. The author seems to feel a grudge against the foreign merchants because they are moved by self-interest instead of philanthropic motives. Of course the idea that they suffer severe deprivations by living in China with no compensating advantages must be set aside as nonsense. The pioneer merchants deprived themselves of certain advantages for a time in the hope of soon accumulating money enough to enjoy them to the full, and this cannot be laid against them to their discredit. The fault of the merchant now is that he cannot see that the object which he has in view, the furtherance of trade, cannot be best attained along the old lines. As Mr. Ransome says, "we must recognise that while for many years to come China may not be a comfortable place for people without extraterritorial rights, it is already a place in which it is unprofitable, and will soon be a place in which it will be impossible, to retain them." Stress should rather be laid upon the unprofitability than upon the impossibility. Everything is possible in China with the aid of warships and troops, but when it comes to the question of the profitability of forcing foreign trade on the country in this way strong doubts may be felt. The Germans lost their extraterritorial rights in China half a dozen years ago, but the loss has not prevented marked recovery of German trade in the country. One may indeed question whether this recovery of German trade from a position in which it was virtually dead is not due to the removal of those privileges which other foreigners desire their Governments to go to war for.

As already noted Mr. Rasmussen dismisses Borodin with a sneer, although as Borodin told Mr. Ransome the post of foreign adviser is by no means a new one in China, and there is no reason why one side should not have advice as well as the other. Mr. Baker goes further and dismisses the whole Nationalist movement as the work of agitators. He writes:—

"A great portion of the news-reading public has been led to believe that the disorders of the past few months are due to a rise of the nationalistic ardour on the part of the Chinese, especially on the part of the Cantonese. Such an idea is largely the distortion of a partial truth. There is no denying that there has become articulate a considerable national feeling, but its expression has been unnaturally stimulated by agitators regularly paid for their work. Poverty-stricken students and unpaid instructors have presented a most unusual opportunity for the propagandising of the student bodies of China in the direction of disorder. The rate of pay received by each class of student organiser is well known in every educational centre."

Mr. Baker's book is not quite so bad as might be concluded from this extract. His three hundred pages are packed with the information he has so diligently collected. It is only in the conclusions to be drawn from it that he fails to be convincing, perhaps because he is too dogmatic. To be dogmatic on China is to court trouble.

"Invisible" Dollars Pay U. S. War Debts

American tourist expenditures, immigrants' remittances and other so-called "invisible" items in America's balance of trade are providing the dollars which foreign countries are meeting their large annual payments to the United States on war debts and private investments abroad, according to a report on "Foreign Debts and America's Balance of Trade" published last month by the Foreign Policy Association in New York. The significance of this fact, according to Dr. Lewis Webster Jones, writer of the report, is that the United States is not necessarily required to accept an "unfavorable" balance on merchandise, or a loss in foreign trade, in order to receive payments from foreign countries.

F. B. Riley's Ideas On British Policy!

(From the London Times)

THE death of Mr. F. B. Riley, the young Correspondent of *The Times* in China, was chronicled in these columns yesterday so far as the facts are ever likely to be known. Some account was also given of his crowded life as Rhodes Scholar, soldier, Civil servant, student in an American University, and journalist in different parts of the world. It is thought now that a few typical extracts from the private letters which he wrote from China during this last summer may also have a certain interest for a wider circle than that to which they were addressed. At least they record the first impressions of a fresh mind, by no means untrained, upon a problem which is peculiarly clouded by fixed ideas.

The choice of Riley for a special mission to China was not made at haphazard. A boyhood passed on the shore of the Pacific had early aroused his interest in the race questions of the Far East, and this had grown with his years at Oxford, in contact with other Rhodes Scholars from different parts of the Empire, and with his wanderings during the War. He went to Columbia University—after some temporary work for *The Times* in Iraq, where he finished his military service—very largely in order to study race questions further from the American point of view. He was persuaded to rejoin the staff of *The Times* mainly by the hope that he might some day return to the East. When, after two years' work in the New York office, the development of events in China made it necessary to strengthen the representation of the paper in China, he seemed the obvious man for the work, and he received the suggestion with enthusiasm. He described it, in a grateful letter to the Editor, as a "fascinating prospect."

An Enthusiast

Riley was always an enthusiast—determined to dig to the bottom of every problem for himself and to explore as many opinions upon it as possible; but his published dispatches to *The Times*, which appeared regularly during May, June, and July, were marked by irreproachable caution. The more controversial views which he was gradually forming were reserved for his private letters—and no doubt also for his conversation, for he loved argument and was fond of assuming an attitude merely for the sake of getting at the facts. It is not altogether surprising, perhaps, that some of those with whom he came in contact in Shanghai should have regarded him at the time as a dangerous newcomer with revolutionary notions of their old familiar situation. It will be still more surprising if his ideas and suggestions, poured out in these private letters without any thought of publication, do not become accepted platitudes in years to come.

Thus he wrote towards the end of May, soon after his arrival:

I would express a conviction that any effort to set up a single Government for such a huge country must fail, except on a basis of dictatorship. Communications are much too poor—public opinion, if it exists, is virtually negative only, so one hears on all hands—no strong man in sight to be Dictator—and the Kuomintang, even if they reach Peking, likely to split up worse than ever. To wait for China to have a strong central Government, a la American policy, means waiting for the Greek Kalends. Better to recognize the facts of *size*, and nebulosity, and, as some diplomats believe, negotiate with authority, as and when found, in province or region.

Here again, written at about the same time, is a suggestion which Riley felt himself still too inexpert to advance in print:

It is, so I was told, and could perhaps sense it even in a few days myself—it is very noticeable that the moderates, the "haves" of the intellectual world, are concerned over the spread of Bolshie doctrine, and perhaps somewhat less alarmed about "Western Imperialism." If so, then a time may come in the near future when we could again go a long way towards meeting their aspirations in reasonable negotiation, *sans* loss of "face" in a blank capitulation such as occurred at Hankow. If the time should come, surely a vigorous and public drive, by the British, to get tariff autonomy *immediately*, and not wait till 1929, would be a wise move. This appeals to me as the big thing to do.

And here is another—not very original perhaps, but not without significance:—

It would pay the big firms to get, say, ten young men a year, for the first five years, Blues of the I. C. S. type from Oxford and Cambridge—well paid, ample leave—to be drafted into the Shanghai, Tientsin, and Hong-kong firms, and nursed for *leadership*. They'd learn Chinese, and, with a larger outlook, get things on to a better basis in course of a few years. At present too narrow a vision!

The F. O. might take steps to ensure that its Consular staff is all of the first rank—and to insist that Chamberlain's policy be backed up, in private conversation, by *all* officials of H. M. G., even if the business world continue abusive. Team work needed!

Policy And Practice

In mid-June he was writing:—

The main issue is friendship with the New China, in order that trade mainly, and the other phases of our civilization also, such as education and health, &c., may continue on a basis of mutual good will and cooperation. That's the declared policy of H. M. G.; I have in front of me a quotation from Balfour's speech, 11/11—26, in the Lords:—"The policy of Great Britain has been *uniformly* in the direction of removing every legitimate grievance of which China could complain, and *doing our best* to meet every legitimate demand which Chinese patriots might reasonably make."

That may be the policy, but it is certainly *not* the actuality, and there are men here, in Shanghai, doing a great deal possively in certain official circles, *actively* among some business men, to put obstacles in the way of that policy. At every turn here, as one delves into the Shanghai puzzle, one finds all kinds of things that belie Balfour's statement. I take it the key to better relations in China is better relations in Shanghai, the commercial pulse, There aregroups of Englishmen, and Americans, in touch with the Chinese, but there are large numbers who are not. The reasonable people are the people who believe in Chamberlain's policy, though criticizing the details. The die-hards, who believe in *force* "as the only way to deal with the Chinese," will not accept either Chamberlain or Lampson or *The Times* as being definite in maintaining that there's no intention to "intervene."

The British taxpayers have provided *troops* (£1,500,000 or more invested)—and must also provide *finance* (several millions may be on loan), invested in Shanghai. In return the British taxpayer is entitled to demand that Shanghai be cleaned up—physically and morally. As I see it, the way out of the rut is to try and get British, Americans, and Chinese working on plans for constructive action in the future—town planning, health, education, parks, roads, &c., &c.—for Greater Shanghai of the future. Get them busy on studying problems together and they will cease to abuse each other at a distance, begin to cooperate, begin to crystallize a public opinion on positive lines—at present it's all negative—and that should pave the way for fair Chinese representation on the Council.

Please do not think all this overlooks the shortcomings of the Chinese. They're all that the Arab is, and worse besides, with their opium, &c. But if we're to work for friendship we must begin here in Shanghai and concentrate on it, despite the difficulties our Celestial friends set up. For, in the meantime, the Germans are quietly going ahead, full steam.

Lampson made an excellent impression upon the young Chinese down here, and they hope to be able to work with him.

A month later, on July 5, Riley was returning to what had now become his settled conviction that, if Chinese incapacity for government was to be thoroughly understood, the foreign settlements must set a conspicuous example of progressive administration.

Working round amongst the business leaders, trying to get their point of view and to urge them not to delay *ad infinitum* in dealing with the problem, I discovered that many, if not must of them, are not free agents. They have to take account of the opinions and decisions of their head offices, in London or New York. These head offices are mainly concerned, it would seem, with their security values, investments in Shanghai, real estate and municipal debentures. To the London offices, that security seems to rest upon maintaining "control" of the settlement. But of what value to Britain is a stand pat attitude on their part, if it results in a continued boycott of British goods and continued agitation against the foreigner "Imperialist"? On the other hand, is it not possible that an improvement in Sino-Foreign relations at Shanghai, being tangible evidence of foreign good will, may result in improved relations throughout the area held by the Kuomintang? It may be a bad guess but, when every other step is barred, why not try this step? It involves negotiating with the Chinese ratepayers of Shanghai, who were certainly not to blame for the Nanking incident! It means making certain changes which most foreign journalists believe ought to be made—viz., adequate Chinese representation on the Council, opening the parks. tackling the child labour problem, doing more for education, and generally trying to treat the Chinese as equals, not as inferiors. I emphasize the point that, in my opinion, the Chinese leaders are being encouraged to agitate, because American journalists openly express sympathy with their demands. They are closely watching foreign Press opinions, and will certainly go ahead, up to the point at which that opinion turns against them. In other words, should it not be our objective, by conceding their justifiable demands, and at the same time putting forward counter-demands—*e.g.*, for reform of the Provisional Court, and for a town planning scheme for Greater Shanghai—to push ahead to the point at which Chinese ineptitude, incapacity, and want of common sense become more prominent, in the public eye, than the delinquencies of the foreigners?

Moreover, to reach an agreement at Shanghai should strengthen the credit of the Kuomintang with the people and so make it easier for them to reach a reasonable settlement and resume trade and political relations with us. The wiser heads feel they can't fight civil war and tackle the foreign problem all at once. They want support, dislike Russian Communism, fear Jap domination even more, and admit the Anglo-Saxons have no *territorial* interests in China. Cannot we feel our way forward towards cooperating with them, even if we know they're going to trick us at every turn?

It is one of the bitterest ironies of fate that a man so determined to understand the Chinese mind, and so courageous in exploring it, should have fallen a victim to the savagery of the people whom he most desired to help.

What China Wants

(An Editorial in the Nabraska State Journal)

China like the rest of us, wants to be an independent nation. It wants foreigners in control of its ports no more than we do. We do not want foreign governments presuming at Boston, New York and New Orleans to tell us what duties we shall impose, forcing us to submit, in cases involving their interests, to the decrees of courts of theirs, instead of our own courts. Nor would we want British, French and Italian warships patrolling the Mississippi river to St. Louis or the Hudson to Albany.

Just that is the situation in China. A fair-minded American will admit that whenever the Chinese assert the desire and the power to control their own affairs, the foreigners should be willing to retire. The foreigner is now there, we with the rest, asserting the right to protect by his own naval and military force the foreign business men and missionaries in China. This is irritating to the Chinese in proportion as they take on the national spirit which we so admire when displayed by ourselves. In the coming transition there will be clashing between the Chinese and the foreigners. There is danger of repetition of the Boxer massacres of a quarter of a century ago. The Chinese at Hankow are now particularly inflamed. British and French marines, and probably also American, have been landed there to guard foreign persons and property. It is as if foreign troops had undertaken the policing of St. Louis. Judging the Chinese by ourselves, we know how easily blood may flow from such a situation.

This situation is the making of nobody in particular. These infiltrations of foreigners have occurred through a long period of Chinese weakness and helplessness. Ultimately no one can doubt, they must get out or, if they stay, take their chances with the Chinese government. The military force of the foreigners will not much longer be tolerated. It cannot remain there without generating in Asia a permanent anti-Western spirit.

California Chinese Girl Crowned "Queen of the Magnificent Lion Feast"

Miss Ella Dong, or to use her Chinese name, Dong Chunshui, a resident of the town of Watsonville, Cal., was recently crowned "Queen of the Feast of the Magnificent Lion," a Chinese festival observed by the Chinese residents of California.

Miss Ella Dong

According to an *Associated Press* report, Miss Dong, who is American-born, recently demonstrated her salesmanship ability by selling 14,000 fifty-cent tickets for a charitable hospital supported by the Chinese community in San Francisco. She won against competitors from many Chinese communities in various parts of California, as a result of which she was declared Queen of the Feast. The ceremony was performed by Mayor Rolph of San Francisco.

America's Chance in China

BY NATHANIEL PEFFER

(From The New Republic, N. Y.)

THE quarrel between the foreigners and the Nationalists in China is temporarily in abeyance, as the military situation in that country becomes increasingly a series of duels between the various military leaders, both north and south. China is off the front pages of the newspapers, for the time being. There are no more barricades in Shanghai. No more foreigners are being attacked. The fevered events of last spring have faded from memory. The Nationalist movement is apparently supine. With the restoration of "normal" conditions, the foreign official mind is disposed to conclude that there is nothing more to worry about, to sigh with relief, and relapse into the usual attitude of western governments toward China. Why trouble to fix the roof when it isn't raining? And when it is, you can't. The official mind is like that.

It will rain again. The meteorological figure is apt. As certain as eventual change in weather is the resurgence of Chinese nationalism, with its accompaniment of anti-foreignism. Nationalism is supine, but it is not dead, or even moribund. It has been laid low by superficial circumstances. Organically it is still sound, and will revive, reinvigorated and with morale heightened by remembrance of its conquests of six months ago. Fresh demands will be made for revision of the treaties originally imposed on China by force. Anti-foreign feeling will again run high. Foreign lives will again be jeopardized. But it does not follow that the miracle whereby we escaped armed conflict last spring will recur. He who believes that Chinese nationalism can be ignored, in the face of all evidence that it is on the tides of history and that the China of twenty years ago can never be restored, is sticking his head in the sand.

Meanwhile, in the lull that has providentially been afforded us, what do the American and other governments do? Nothing. Wait. For what? Presumably for a repetition of the events of last spring. Then, instead of one foreigner being killed in Nanking, five or fifty will be killed somewhere else, and we shall discover that in the name of honor, duty, morality, civilization, Christianity, and mankind, we are compelled to send 80,000 Marines instead of 8,000, and kill a few hundred thousand Chinese and add a billion or two to the national debt to be paid off in taxes. After which historians will solemnly dispute as to the causes.

The lull is indeed providential. It gives us a chance to buy ourselves out of the Chinese mess cheaply. There is not much likelihood we shall have another chance. That we must get out is clear, unless we mean to fight to maintain our hold. It is only a question, how easy we can make it for ourselves.

Our governments, as represented in the formal statements made by Austen Chamberlain and Frank B. Kellogg, acknowledge that the old status of our treaty relations with China is untenable. They agree that China must have the right to fix its own tariff, that extra-territoriality must at least be modified and that some term must be set on the foreign occupation of leased territories and concessions in China. All except the most fanatic, die-hard British interventionists are agreed to that extent.

The position taken in both London and Washington, however, is that we cannot proceed to make these modifications until there is a stable Chinese government with which to negotiate. Now there is none which fits that definition. In so far as this position is sincere—a question about which there is considerable doubt—it is stupidly obscurantic, as blind as only bureaucrats and the officially-minded can be. What is negotiation? A means to an end, an instrument to produce a result. The result, not the method, is important. We cannot, we say, negotiate with the Nationalist government or any other existing government in China, because it is not legally constituted or stable. We cannot seat our delegates at the same table with Nationalist delegates. But when our citizens flee before the Nationalist armies, that, presumably, is not negotiation. Our citizens in China have now been swept out of the country into a few concentration points under the shelter of foreign guns. There could be no more effective, decisive result. But we do not recognize the Nationalists. For our government, they do not exist. We still take the position that, although we are willing to give them what they want, we cannot negotiate with them. To perceive the subtleties of that distinction, you must have come up through the secretarial ranks of a foreign office.

Unfortunately, many who have not come up through the secretarial ranks of a foreign office will have to be among those 80,000 Marines and pay the taxes to clear off the two billion. It is necessary, therefore, for the rest of us to cut through stuffy proprieties and think in terms of the practical. This may be said with certainty: as every renewal of the nationalistic feeling in China in the last ten years has been sharper than the preceding one, so the next will be more critical than that of last spring which culminated in the dispatch of British and American military expeditions and fighting in Nanking. The gravitational pull of events will be toward intervention and a first-class war against China, the brunt of which will be borne by Great Britain and the United States.

One thing further must be understood. In addition to natural forces, there is now a well organized, well financed movement to bring about intervention. Centering in Shanghai and other outposts where foreign traders are fighting desperately to retain their right to make money out of China under conditions they could not obtain elsewhere, there is an active propaganda campaign to convert British and American opinion to the necessity and virtue of "disciplining" China. Its highly skillful, if not wholly truthful, publications are pouring into this country, especially in the mails of "key men." The soil is being fertilized for the proper growth when next the Chinese assert themselves and, in some contingency inescapable in conditions of unrest, a foreigner—preferably an American—is killed.

It is to forestall such a contingency that we must bend ourselves now. There would have been intervention last spring had it not been for the abstention of the United States government. But something more than a negative policy is needed at present, else we shall be swept, or deliberately drawn, into intervention against our will. Contingencies can always be contrived by those who profit by them.

Concretely, it is time to talk sense about China. There is only one reasonable, intelligent course to take. We have been dealing with the Nationalists indirectly, though without the solemn formalities of diplomatic intercourse. We have to deal with them. They or that which they represent in China has come to stay. It cannot be ignored. We may as well deal with the Nationalists directly. And if we mean what we say about being willing to establish relations with China on a new basis of equality—it is not certain that we do—we shall sit down with representatives of the Nationalist party and go about the business of drawing up new treaties.

If this means formal recognition of the Nationalist government, then the only change is that which is represented by the difference between formal and informal. We need not grant *de jure* recognition. If it suits our sense of propriety better, we may call it *de facto* recognition or only recognition of belligerency. The latter is of respectable lineage. It was granted our own South by European powers in the Civil War.

There is a government now in Peking with which we have formal intercourse through our diplomatic representatives, though it has little legality and less authority. There is another at Nanking, the present form of the Nationalist government. It may or may not be enduring, but even if it should pass, the Nationalist cause will remain as an entity. That for which the Nanking government stands, with regard to the foreign powers, has the support of all the politically sentient elements in China. In that respect, the Nanking government is a representative government, even if its present officials are removed in six weeks. What it wants, all of politically conscious China wants, and eventually will have, unless we restrain the country by force on the scale of major warfare.

The United States government can announce, either through the State Department or its accredited representatives in China, that it is ready to negotiate with representatives of China in the matter of new treaties. Unofficially it can stipulate that delegates of both the Peking and Nanking governments be present. And then it can negotiate.

There need be no misunderstanding as to what the content of the negotiations will be. We shall have to give up most of our privileges in China. The Germans did and survived. Our interests, too, will survive. That they will be temporarily crippled is beyond question. When constrained to liquidation, the way to liquidate is to liquidate. Our trade will suffer, our investments will be insecure for a considerable interval. The Nationalist government will not be millennial. Quite likely it will be as venal as the traditional mandarinate governments have been, as oriental governments uniformly are, and as Pennsylvania, Ohio and Indiana can be. But such loss as a retrocession of our privileges in China entails cannot be prevented in any event. It will be less if we take it voluntarily and not under fire. The Chinese will be less exigent now than when they have us on the run. In any case, we have no alternative, save recourse to arms, which sooner or later means real war.

For America, certainly, it does not require statesmanship to recognize that the stake is not worth war. For others, particularly the British, the stake is larger. But heretical as it may seem, there is no moral obligation on America's part to save Britain's stake, even if it could—which it cannot, because there is not force enough in the world permanently to impose on one-quarter of the human race the kind of conditions we have imposed on China, once that race becomes politically conscious. By taking the initiative, America will, instead, be putting itself beyond the possibility of being drawn into a struggle with which its people have no concern, and from which they can derive no benefit. On the contrary, America's "defection," as it will be called by British die-hards and the noisy American business men in Shanghai, as well as some "big business" men in New York, will hasten the recognition of the inevitable by the other powers. It is not very likely that the British will attempt intervention against the affirmative declaration by the United States that it will not intervene or move toward that course. Thus America can help reach the only basis on which the problem of China can be solved and peace with the East be maintained.

Madame Sun Yat-sen Opposes Break With Soviet Russia

Madame Sun Yat-sen, widow of the late leader of the Kuomintang, has recently sent a telegram to Gen. Chiang Kai-shek in Shanghai expressing disapproval of the action of the Nationalist Government in discontinuing relations with the Soviet Government. Madame Sun Yat-sen's telegram and General Chiang Kai-shek's reply were as follows.

"Chiang Kai-shek, Shanghai.—Just on point of returning home I learned of your proposal to break off relations with Soviet Russia and demand withdrawal of Soviet Consulates. This act, if carried out, will be suicidal, isolating China and retarding her progress, for which history will hold you to account. If you possess a particle of your leader's vision or remember close co-operation with Soviet Russia was his last will, then stop headlong plunging over precipice dragging with you fate of your country. I am remaining here as moral protest against your decision, unless last moment steps be taken to avert break. I believe that your alleged grievances could be settled by agreement with Soviet Russia."

Sun Soong Ching Ling

Chiang Kai-shek's reply, follows:—

"Your telegram dated to-day respectfully received, excepting which neither I nor the rest of your family have received single response to our many telegrams and letters, showing evidently your correspondence was tampered with. For taking this step of breaking off relations with Soviet Russia, whose agents have only recently made holocaust of Canton, we accept full responsibility, but beg you to defer judgment until you arrive here and view situation for yourself. History, I am confident, will record that it was Soviet Russia herself that made a mockery of co-operation by persistently subverting the principles and policies laid down by our revered leader. General opinion here is that, as a loyal Kuomintang member, your telegram and further stay in Russia could not be of your own free will, and you could do far more for the party if you will present your views in person without duress. Eagerly awaiting your early return.—Chiang Kai-shek."

Soviet Governmental Agencies in Shanghai

There are three Soviet Governmental State Agencies in Shanghai at the present time and in addition three joint Sino-Russian agencies in which the Russian Government has an interest, according to a report issued by Chinese interests. The state enterprises include the Trade Mission of the U. S. S. R., the All Union Textile Syndicate and the Soviet Mercantile Fleet. The Trade Mission of the U. S. S. R., which has its office in the Soviet Consulate is a sort of supervisory body and is a branch of the Commissariat of Foreign Trade which has its headquarters in Moscow. The All Union Textile Syndicate has charge of the sale of Russian-producted textiles while the Soviet Mercantile Fleet has charge of Russian shipping in the Far East, all boats being the property of the Russian Government.

The three so-called "mixed" Russian-Chinese enterprises which are semi-official in character are the Far Eastern Bank (Dalbank) which does a general banking business and has its head office in Harbin. The Dalbank is organized under Chinese charter and has a considerable number of private shareholders. The Chinese-Eastern Railway, which also has its head office in Harbin, maintains an office in Shanghai which looks after freight and passenger traffic over the Chinese-Eastern and Trans-Siberian lines. This company operates in accordance with the Chinese-Russian treaty which was signed in Peking in 1924.

Probably the most important of the mixed Chinese-Russian Companies is the "Centrosouis," an import and export concern which deals largely in Chinese tea which is packed in Hankow for shipment to Russia. The "Centrosouis" has been in existence for 29 years and has had an office in Shanghai for 11 years, one year prior to the formation of the present Soviet Government. In 1919 the "Centrosouis" was incorporated in England and in 1922 the British company took over the offices in Shanghai.

The "Centrosouis" has a large tea packing plant in Hankow which employs 2,000 Chinese laborers and does an annual business of Tls. 50,000,000 a year.

The total number of office employes in the various Russian and Sino-Russian enterprises in Shanghai is about 200 of which number about 50 are Russians. The number of Soviet Russian citizens in Nationalist territory is given at about 1,000.

Registration of Patents in China

The following "Review of Procedure for the Provisional Registration of Patents by Foreigners in China" was translated by Mr. N. F. Allman, American Attorney and member of the law firm of Fleming and Allman:

The Ministry of Industry, Notice No. 2.
September 5, 1927.

Whereas, it has been found necessary to revise the "Procedure for the Provisional Registration of Patents by Foreigners" promulgated and put in force by the Former Ministry of Agriculture and Commerce on June 8, 1927. Therefore this Ministry has now revised said procedure and hereby announces the "Revised Procedure for the Provisional Registration of Patents by Foreigners," in nine articles as follows:

1. Any treaty power citizen who has a patent from his own government, or from another government, or has acquired same by inheritance or assignment, for an invention, discovery, or new method in the industries may during the validity of said Patent, and pending the promulgation of a formal patent law in China, apply to this Ministry for Provisional registration, subject however to the requirements of any formal Chinese patent law hereinafter promulgated.

2. A provisional registration receipt shall be issued by the Ministry of Industry but neither such a receipt nor the approval of an application in respect of an article, or new method shall be deemed a grant, or formal registration of patent rights. Nevertheless whenever a formal patent law is promulgated the date of the application shall be deemed, in respect of priority, as equivalent to an application for patent rights. When applications are made by post the date of posting as shown by the stamp of the receiving post office shall be deemed the date of such application.

3. The provisional registration may be of three kinds, viz.,

Patents Utility Models Designs

The applicant should be guided in making his application under the above by his original letters patent, or other documents. Applications concerning drinks, foods, drugs, medicines, munitions of war and contraband articles shall not be registered.

4. In making application for provisional registration an application must be made for each article and must be written in Chinese in unambigious language in accordance with the forms prescribed by the Ministry of Industry. All other documents must be translated into Chinese and submitted to the Ministry of Industry together with a copy of the foreign language version.

5. The applicant must submit to the Ministry of Industry for examination, the original of the letters patent, or a copy thereof, or other document issued by a patent office, together with a detailed statement of methods of manufacture and drawings and specifications.

6. Applicants for provisional registration must submit a certificate of nationality. Corporations must submit documentary evidence of their formation.

7. The holder of a provisional registration may assign his rights to others but such assignments must be over the signature of both parties and the deed of assignment must be sent with the application to the Ministry of Industry for approval and record.

8. An Applicant having no place of residence or business in China may appoint an agent who has a place of residence or business in China to effect provisional registration. A power of attorney must accompany each application filed by an agent.

9. The following fees must accompany each application for provisional registration of patents or assignments thereof.

Application Fee	Provisional Registration Fee	Application for Assignment of Provisional Registration fee.
Patents $ 5	$ 20	$ 10
Utility Models $ 3	$ 15	$ 7
Designs $ 2	$ 10	$ 5

The provisional registration fee shall be refunded if the application is rejected.

DODGE BROTHERS
TOURING CAR

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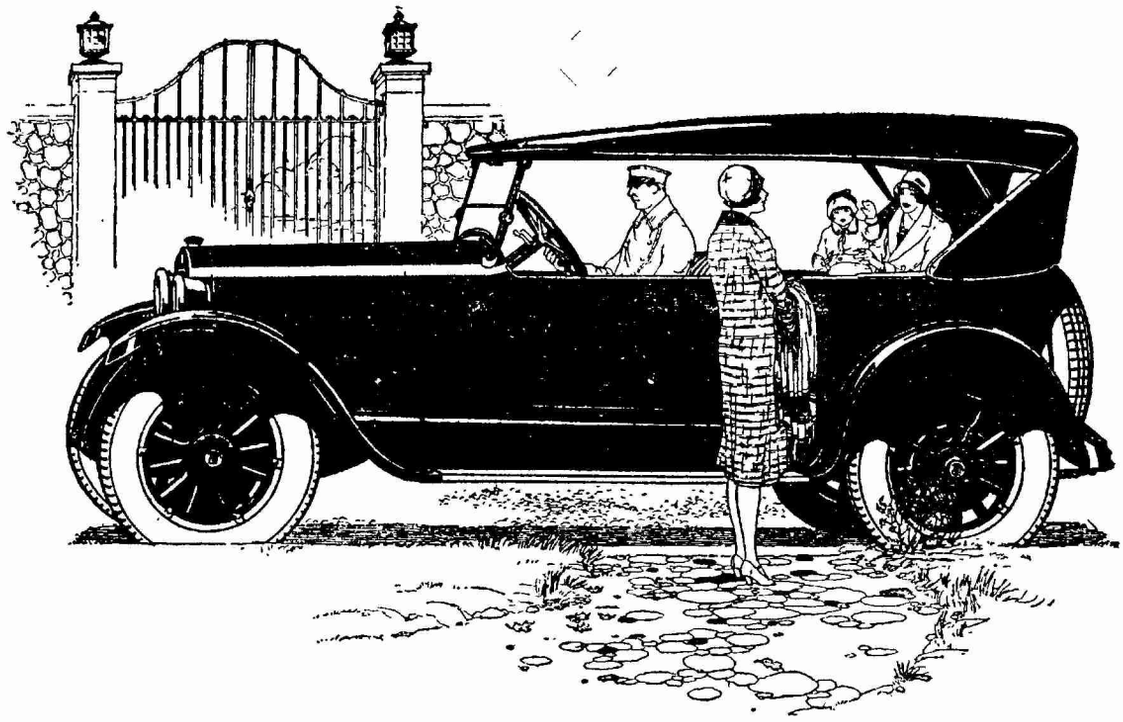

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43-131

Effect of the Soviet Break on the Domestic Situation

BY J. B. P.

The inevitable effect of the break with Soviet Russia will be to cause a new orientation in domestic Chinese politics, the first definite manifestation of which was a mandate issued by the Nanking Government on December 16 ordering that all members of the Central Executive Committee of the Kuomintang from Canton be "placed under surveillance," those included in the order being, Dr. Wang Ching-wei, Koo Meng-yu, Chen Kung-po, Kan Nai-kwan, Wang Fa-chin, Pan Yung-chao, Chen Shu-jen and Ho Hsiang-chin. The mandate which was issued declared that.

"On Nov. 17, Generals Chang Fa-kwei and Hwang Chi-hsiang, in league with the Communists and in defiance of the law of the nation, revolted in Canton, against whom the Nationalist Government has already instructed the Military Council to send a punitive expedition for their suppression. It is to be noted that, since the 'purgation' movement, peace has been gradually restored to the country, and particularly to Kwangtung province. To our great surprise, since the return of Chang Fa-kwei and Hwang Chi-hsiang to Kwangtung, the Communists apparently under their protection and with their connivance, were found to have recommenced their activities. The first revolt of Chang and Hwang was followed immediately by a more serious revolt of the Communists on December 11. They seized and occupied the various government organs, set up a Soviet Government and devastated Canton in an orgy of looting and incendiarism. The Government has already instructed the Military Council to despatch adequate forces to suppress the disturbances and exterminate the remnants of the Communists and other rebel forces. Since Wang Ching-wei, Koo Meng-yu, Chen Kung-po, Kan Nai-kwang, Wang Fa-chen, Wang Loh-ping, Pan Yung-chao, Chen Shu-jen and Ho Hsiang-yen, have been suspected of conspiracy in the present revolt, their participation in the rebels' conference and protestations for the rebels cause, has caused the Nationalist Government in the name of the Party and for the sake of peace and order in the country to hereby appoint Koo Ying-fan and Ten Shi-lu a committee to conduct an investigation into their alleged activities and report their findings to the Government together with recommendations for their punishment. Pending the completion of the investigation, the Government orders that they be placed under surveillance."

Gen. Ho Yin-chin, Nanking General, Who in Cooperation with Marshal Feng Yu-hsiang Has Captured Hsuchowfu and Haichow from the Chihli-Shantung Troops Commanded by Generals Sun Chuan-fang and Chang Chung-chang.

The result of this order has been to force the Cantonese members of the Central Executive Committee to go into hiding. It was reported on Saturday, December 17 that Dr. Wang Ching-wei was sailing for the United States on one of the Dollar Steamers, but for some reason his reservation was cancelled at the last minute and so far as is known he is still in Shanghai but his whereabouts are unknown.

Canton Situation Still Confused

The city of Canton, according to latest reports, is under the control of Gen. Li Fu-lin who is acting under orders of the Nationalist Government, while Gen. Chang Fa-kwei is supposed to be somewhere on the borders of Kwangtung fighting against the Government troops. Gen. Li Chi-sum, the Kwangsi commander who was ousted from the control of Canton by Generals Chang Fa-kwei and Hwang Chi-hsiang, has gone back to Kwangtung province and is now engaged in organizing a military force at the city of Swatow for the purpose of driving Chang Fa-kwei out of the province, but latest reports have it that Chang Fa-kwei has been successful in the initial engagement which took place at the town of Taifeng. It is also reported that Gen. Li Tsung-jen, the Nationalist General who was largely responsible for Gen. Tang Shen-tse at Hankow, may be sent to Kwangtung to take charge of the Government forces.

Accurate reports are not yet available regarding the results of the Communist uprising at Canton, but the original reports of placing the death at from 3,000 to 4,000 apparently are not greatly exaggerated. More than 1,000 houses were destroyed and one Japanese report places the property loss at $20,000,000. The property loss has not been confined to Canton for it is also stated that dozens of villages and cities of considerable size in Kwangtung province have been devastated with hundreds of farmers and villagers killed.

The reports regarding Russians killed have not yet been verified, but a *Reuter* report from Hongkong on Monday, Dec. 19 stating that Soviet Vice-Consul Hassis and four other Russians had been killed is thought to be accurate. The Soviet Consul-General and other members of the Consulate staff are said to be under arrest awaiting deportation.

Prospects for Kuomintang Conference

Gen. Tan Yen-kai, one of the supporters of the Nanking Government on December 16 announced that the Fourth Plenary Conference of the Central Executive Committee of the Kuomintang will be held in Nanking in accordance with the pre-arranged schedule. Gen. Tan announced that the meeting would be held "even if the Cantonese members remained away and that there would be a quorum without them." Gen. Tan also declared that the Nanking Central Special Committee would continue to function until the Fourth Plenary Session was held.

Feng Yu-hsiang and Yen Hsi-shan Ask for Help

Both Feng Yu-hsiang, commander of the Kuominchun Army and Yen Hsi-shan, tupan of Shansi province have been telegraphing Gen. Chiang Kai-shek demanding that he immediately assume office as Commander-in-chief and that the Nanking Government send help in the form of money and ammunition immediately.

The city of Hsuchowfu was occupied again on December 16 by the troops of Feng Yu-hsiang and Gen. Ho Yin-chin, the report being confirmed both from Feng Yu-hsiang's headquarters at Chengchow and from Japanese source in Shantung province. The Japanese report which was issued on Monday, Dec. 19 stated that three divisions of troops under the Nankiang General Ho Yin-chin defeated Sun Chuan-fang's troops near the Kiangsu-Anhwei border while two other Nationalist Generals Hsia Tou-yin and Chang Kuo-wei attacked the city of Hsuchowfu. The result was that Sun's troops became demoralized and retreated northward in disorder, leaving the city of Hsuchowfu in the control of the Nationalist forces. A telegram from Chengchow on Monday, also reported that vast stores of arms and munitions which had been stored in Hsuchowfu by the Chihli-Shantung troops, were captured.

The fall of Hsuchowfu was almost immediately followed by the evacuation of the town of Haichow at the eastern end of the Lung-Hai Railway on the part of the Chihli-Shantung troops so that the entire Lung-Hai Railway is now controlled by Feng Yu-hsiang and the Nanking Nationalist troops.

Consternation in the North

The fall of Hsuchowfu and Haichow has had the inevitable result of creating widespread apprehension in both Shantung and Chihli provinces. A Japanese *Toho* report from Tokyo quoted the Japanese Consul-General at Tsinan as expressing apprehension regarding the general situation in Shantung province and suggesting the possibility that Japan may again send troops back into the province in order to protect Japanese interests at Tsinan and Tsingtao as well as the Shantung Railway. Generals Chang Chung-chang and Sun Chuan-fang have now retreated to Tsinanfu and are trying to reorganize their forces for a defense of their position in that city.

According to plans previously announced, the Nationalist troops from Nanking will now hold the Lung-Hai Railway and defend the northern Kiangsu border while Marshal Feng Yu-hsiang will continue his advance directly into Chihli province,

(Continued on page 108)

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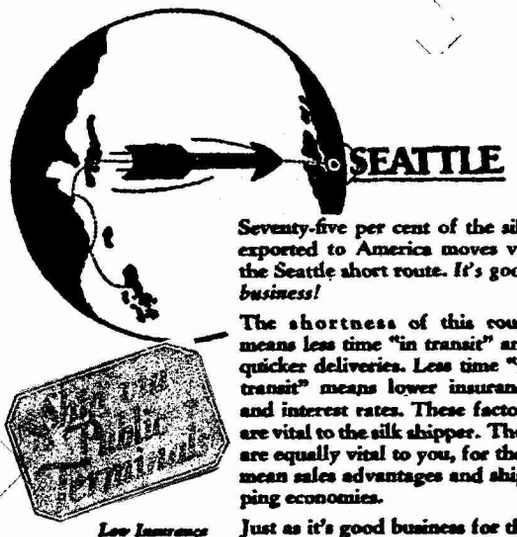

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Men and Events

H. H. Powell, a member of the editorial staff of the *New York World* has arrived in Shanghai on a trip around the world.

Francis Zia, formerly editor of *The China Courier*, who resigned some time ago, has established a miniature or "tabloid" newspaper which is being issued from No. 4 Hongkong Road.

Japanese divers while searching for lost treasure in the harbor at Nagasaki, Japan, inadvertently cut the cable of the Great Northern Cable Company. The divers mistook the cable for an old hawser.

Mr. and Mrs. D. C. Bess who have been in Shanghai for some are planning to depart next week for Peking where Mr. Bess will serve as correspondent for the *Christian Science Monitor* and other American newspapers.

The will of Charles Klink, an American who died in Shanghai last September was presented for probate in the U. S. Court for China on December 19. Mr. Klink left property value at Tls. 200,000 in Hongkong and Tls. 15,000 in Shanghai.

A delegation of 1,300 Koreans on December 13 visited the Chinese Legation in Tokyo and protested against oppression of Koreans resident in Manchuria. It was reported that the Chinese authorities in Manchuria have been trying to "squeeze" the Koreans out in order to appropriate their rice lands.

The Chinese *Kuo Wen* news agency on Dec. 16 reported that a "certain diplomat" in Peking had called at the Ministry of Foreign Affairs and suggested that Marshal Chang Tso-ling should immediately close all Soviet Consulates in North China in view of what the Nationalist Government had done in South China.

According to a report of the *Toho* news agency on Dec. 16 the Sino-Japanese Exchange Bank of China, is planning to appoint Wang Yin-tai to the presidency in place of Chang Chung-wo who has expressed a desire to resign. Wang Yin-tai is at present Minister of Foreign Affairs of the Peking Government.

In last week's issue of *The Review* it was stated that The Century Company was issuing shortly a new book by Mr. Thomas F. Millard. This statement was incorrect, since the new book is to be issued from the press of Harcourt, Brace and Company, N. Y. The title of the new book will be "China—Where It Is Today and Why." It will be issued about the first of February.

Thomas M. Knight, formerly with the Du Pont de Nemours and Co. in Shanghai, but who returned to America two or three years ago has returned to Shanghai where he has established an office for the Witte Engine Works of Kansas City. Mr. Knight is 2nd Vice-president of the Company which specializes in gasoline engines. Mr. Knight's office will be in the Dollar Building.

Wilbur Burton, who was formerly engaged in newspaper work in Shanghai, but who returned to the United States several months ago has joined the *Associated Press* and is connected with the Atlanta, Ga., office. In a recent letter to *The Review* Mr. Burton said that since Madame Sun Yat-sen was graduated from Wesleyan College of Macon, Ga., that all Georgians claim her as their own and follow her fortunes with close interest.

Henry F. Krenz, a former employe of the American Legation in Peking, who was convicted of embezzling funds from the Legation and sentenced in the U. S. Court at Shanghai to five years at the McNeil Island Penitentiary, departed for America to serve his sentence last week. Mr. Krenz was accompanied on the trip by G. S. Gawn, another American citizen who was recently convicted of forgery. Mr. Gawn received a sentence of 366 days.

Dr. Wang Ching-wei for chairman of the Central Executive Committee of the Kuomintang, who has been in Shanghai attending the Preliminary Kuomintang, Conference arrived in Hongkong on Tuesday, Dec. 20 on his way to France. Dr. Wang's sudden departure was precipitated by the issuance of a mandate by the Nanking Government ordering that Dr. Wang and the other Cantonese members of the Central Executive Committee be placed under surveillance owing to their alleged complicity in the recent Canton coup-d'etat.

The new Chinese Government Customs House on the Shanghai Bund was opened for service on Monday, Dec. 19 when F. W. Maze Commissioner of Customs and other foreign and Chinese members of the staff occupied their offices. A new Nationalist flag measuring 12 X 20 feet was unfurled from the pole on the top of the building which is some 300 feet above the sidewalk. There was no official opening of the building but during the day several members of the local Consular Body and Chinese officials visited the building.

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From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

December 15—Peking report by *Toho* states that 20,000 Nationalist troops are now concentrated in Northern Kiangsu along the Tientsin-Pukow Railway, Grand Canal and in the vicinity of Haichow making preparations for attacking the Chihli-Shantung troops; Chang Chung-chang making preparations to defend himself against the Southerners—Feng Yu-hsiang destroys railway tracks westward of Hsuchowfu and fortifies position at Kueiteh; Nationalist airplanes drop bombs on Northern position at Hsuchowfu—American, British, Japanese, French and Italian Ministers at Peking consider matter of piracy in South China waters—Communists while in control of Canton release all prisoners from jails numbering 3,000—Canton troops arrest hundreds of alleged communists—Canton General Labor Union and Kwangtung General Chamber of Commerce, according to *Toho* report, send telegram to Nanking urging arrest of Wang Ching-wei, calling him a "traitor" to the Kuomintang—Kwangtung Provincial officials also send telegram ordering arrest of Chen Shu-jen, Koo Feng-yu, Kan Nai-kwan and Wang Ching-wei—Communist troops began to evacuate Canton on early morning of Dec. 13, while laborers discard red colors and go into hiding—Sino-Japanese Commission meet in Peking again for consideration of Chinese-Japanese commercial treaty—Chief credit for crushing Communist revolt at Canton due to actions of Gen. Li Fu-lin; reported between 3000 and 5000 killed, including alleged communists executed after city captured; other generals who participated were Chang Fa-kwei, Chu Hui-jih, and Pei Yueh—Tientsin report by *Toho* states that serious battle is raging in vicinity of Hsuchowfu and that Fengtien troops are pursuing the defeated troops of Feng Yu-hsiang—*Toho* report from Hongkong states that while peasant-labor corps are in control of Canton they establish Kwangtung Soviet Government with Su Tiao-ching as head, Huang Ping as commissioner of peoples affairs, Ho Lai as head of economic council, Chang Ta-lai commissioner of people's army and navy, Chou Wen-yung head of labor council, Yeh Ting as head of labor and farmers' red army—All gold and silver shops in Canton looted and more than 1,000 houses burned in incendiary fires-All communication cut off between Canton and Hongkong—Nanking Government breaks off relations with Soviet and hands Consular staff and all government agencies their credentials; *Kuomin* issues statement charging Soviet with responsibility for Canton labor-peasant uprising charging communists with responsibility for "cutting off communications, burning, plundering and massacreing—Nationalists issue punitive mandate against Kwangtung Communists and appoints Bei Tsung-Chi and Li Chi-sum as commanders of the two route armies with Generals Huang Shao-hsiung and Chen Ming-shu cooperating; Generals Bei and Li departing for Canton shortly—Generals Yen Hsi-shan and Feng Yu-hsiang telegraph Chiang Kai-shek to resume his position and take command of Nationalist army, agreeing to place themselves under his command—Cantonese residing in Nanking and Shanghai pass resolutions demanding crushing of communists in Kwangtung; demand arrest of Wang Ching-wei, Ho Hsiang-yen, Koo Meng-yu, Kan Nai-kwang, Chen Kung-po, Wang Fa-chen, Wang Loh-ping, Chen Shu-jen, Pan Yun-chao, Chang Fa-kwei and Hwang Chi-hsiang—Huang Shao-ku, delegate from Feng Yu-hsiang arrives in Nanking to obtain military supplies for Feng's forces—Nationalists appoint Chwang Tse-kuan acting head of Wine and Tobacco Bureau—Sino-foreign Famine Relief organization in Peking is planning to remit $1,000,000 for famine relief in Chihli and Shantung provinces.

December 16-17—Gen. Chang Fa-kwei orders appropriation of $100,000 toward relief of Cantonese who lost property on account of fires caused by the Communist uprising; stated that losses amount to $20,000,000—Gen, Li Chi-sum continues plans to oust Chang Fa-kwei, but Japanese reports from Hongkong state that General Chen Ming-chu at Swatow and Gen. Chen Ku-yu at Macao will try to mediate and induce Generals Chang Fa-kwei and Huang Chi-hsiang to evacuate peacefully—Gen. Banzai for many years Japanese adviser to the Peking Government, resigns—Canton branch of political council of Kuomintang orders discharge of chiefs of Kwangtung provincial government including Chang Fa-kwei, Huang Chi-hsiang, Chu Hui-jih and Chen Kung-po—Japanese report from Hongkong states that both the Russian Cousul and Vice-consul at Canton are being detained by the Chinese military and although there are reports of their execution, this has not been confirmed; reported that Gen. Yeh Ting, who led the communist uprising took refuge in the Soviet Consulate; also reported that eight Soviet Russians who were involved in the Canton uprising were paraded through the streets of Canton to a vacant plot of ground and shot—Several alleged Chinese and Russian communists arrested in Hankow, report stating that the former-foreign concessions were raided for communists, that Russians were dragged out of their beds, marched through the streets in their night attire and confined in concentration camps; Soviet consulate at Hankow occupied by Chinese troops and occupants taken in motor trucks to concentration camps; all to be deported shortly—Japanese protest to Peking Government over Chinese treatment of Koreans in Manchuria—Soviet Consul and staff, numbering 15 in all deported from Hankow—Quo Tai-chi, Chinese commissioner of foreign affaire at Shanghai annouuces regulations for dealing with Soviet Russian citizens in Shanghai, requiring all to register and also requiring Russian Whites to register—Quo Tai-chi protests to American and Japanese consuls regarding alleged secret wireless negotiations at Peking declaring that the Nationalists will not recognize any understanding arrived at by Peking Government—Gen. Tan Yen-kai of Nanking Goverement states that the Fourth Plenary Session of Kuomintang will be held even though the Cantonese members of the Central Executive Committee do not attend—Nanking Government adopts special precautions to prevent communists in Shanghai area by placing special guards of local railways and declaring "extra-special" martial law in Chinese areas—Serious coal shortage at Tsingtao—Practically all troops previously stationed at Tsingtao moved to Tsinan to oppose Feng Yu-hsiang—British and American merchants in Peking protest luxury taxes—Tsao Julin mentioned as new Minister of Foreign Affairs in Peking in place of Wang Yin-tai who plans to resign—*Kuo Wen* reports that Japanese Minister Yoshizawa has announced that Chang Tso-ling has signed the agreement on Mongolian and Manchurian affairs—Gen. Ciao-yuan, commander of 3rd division of 37th army moves troops to Anking from Nanking—Nanking urges Gen. Cheng Chien to assume control of Hupeh as soon as possible—Diplomatic Corps protests disruption of postal service—Gen. Han Lin-tsung leaves Peking for Mukden—Nationalists forces in Hankow confiscate 4,100 tons of salt formerly owned by Tang Shen-tse—Nanking appropriates $600,000 for completion of Sun Yat-sen tomb—Cheng Chien requests $2,000,000 a month for military purposes in Hunan and Hupeh—Serious fighting in Haichow area—Nanking appoints Chwang Tso-huan as head of "Rolled Tobacco Bureau" in Chekiang in place of Sze Qui-ling who is transferred to Fukien—British minister in Peking urges Chang Tso-ling to close up Soviet Consulates in North, according to Kuo Wen report—Nanking appoints Hung Jen-lin head of Anhweiopium Bureau.

December 17-18—Nationalist Government issues mandate the following members of the Central Executive Committee of the Kuomintang from Canton to be placed under surveillance: Wang Ching-wei, Koo Meng-yu, Chen Kung-po, Kan Nai-kwan, Wang Fa-chin, Wang Loh-pang, Pan Yung-chao, Chen Shu-jen and Ho Hsiang-yen, on ground that they conspired against the Government; Government appoints committee composed of Koo Ying-fan and Ten Chi-lu to conduct investigation into their "alleged criminal activities and recommend punishment in accordance with discipline of Party and law of nation"; Mandate issued states that Communists returned to Canton under protection or connivance of Generals Chang Fa-kwei and Hwang Chi-hsiang—General Chiang Huang-nai of 11th army arrives with body guard at Amoy and preparations made for an advance on Kwangtung province—Peking appoints Chen Tsai-hsin as managing director of Peking-Suiyuan Railway—Serious fighting continues at Taokow and Hushsien on north bank of Yellow River between Shantuug troops and troops of Feng Yu-hsiang—Feng Yu-hsiang and Yen Hsi-shan continue to demand assistance from Nanking Government—Chang Tso-ling again tries to negotiate for surrender of Chochow—Chang Tso-ling supplies Sun Chuan-fang with 40,000 new rifles recently obtained from Japan—Troops of Gen. Yeh Kai-hsin transferred from Hankow to Yochow.

December 19-20—Chang Tso-ling' "Fengpiao" or Manchurian paper money drops to $1,370 paper to $100 silver upon receipt news serious situation at Hsuchowfu—Hsuchowfu captured by combined forces of Feng Yu-hsiang and Ho Yin-chin—Japanese express apprehension regarding conditions in Shantung and may send troops back to Tsingtao—Chihli-Shantung troops retreat in disorder following evacuation of Hsuchowfu and try to make stand at Hanchuang—Generals Chang Chung-chang, Sun Chuan-fang hurry to Tsinanfu for conference and Gen. Chu Yu-puh goes to Tientsin following defeat at Hsuchowfu—Chihli-Shantung troops also evacuate Haichow leaving entire Lung-Hai Railway in control of Nationalists—Japanese *Toho* report from Hongkong states "conditions of indescribable horror"

INCREASE IN SUBSCRIPTION PRICE

Effective on January 1, 1928

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In the United States Court for China

JESSE L. POOLE, Plaintiff,
vs
ALLI\E LOUISE POOLE, Defendant.

Cause No. 3014
Civil No. 1258

ORDER.

Filed at Shanghai, China, December 14, 1927.

JAMES M. HOWES
Clerk.

ORDER.

The object of this suit is an action for divorce.

On motion of the Plaintiff, it is this 14th day of December, 1927, ordered that the Defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this order; otherwise the cause will be proceeded with as in cause of default.

MILTON D. PURDY
Judge

Dated at Shanghai, China, December 14, 1927.

In the United States Court for China

CLARA DIATLAVA PATTEN, Plaintiff,
vs.
WENDELL W. PATTEN, Defendant.

Cause No. 3002
Civil No. 1249

ORDER.

Filed at Shanghai, China, December 15, 1927.

JAMES M. HOWES
Clerk.

ORDER.

The object of this suit is an action for divorce. On motion of the plaintiff on this 6th day of December, 1927, IT IS ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this order; otherwise the cause will be proceeded with as in case of default.

MILTON D. PURDY
Judge,
United States Court for China.

prevail in Canton where more than 1,000 houses were burned causing losses of $20,000,000 by incendiarism and that lives lost run to more than 2,000; also states that many Russians were killed including Mr. Hassis, the Soviet vice-Consul—Gen. Li Fu-lin appointed acting chief commissioner for Canton branch of political council; Gen. Pi Yueh appointed commander of martial law, Gen. Miu Pei-nan as commander of 4th army and Gen. Chu Hui-jih as chief of bureau for Peace Preservation; Gen. Hwang Chi-hsiang with family goes to Hongkong—Chihli-Shantung troops decide to make stand on line from Hanchuang to Taierchuang and send fresh troops—Nanking Nationalist troops establish connections with Feng Yu-hsiang's troops at Hsuchowfu—Dr. Wang Ching-wei and secretary arrive at Hongkong on their way to France on a French steamer—*Kuo Min* (Nanking official) news bureau issues statement by Dr. C. C. Wu on break with Soviet Russia (reprinted in full in editorial column)—*Kuo Min* report states that Nanking general Koo Tso-tung actually occupied Hsuchowfu on Dec. 16 and thut large quantities of ammunition and arms were secured—Gen. Hu Chung-tu at Hankow searches Soveiet Consulate and claims to have found many secret documents; Gen. Ha executes Li Han-chung and Yen Ta-pei, two alleged communists at Hankow; some 17 Chinese students arrested at Hankow on alleged communistic charges—Members of Soviet Consulate at Hankow numbering 14 depart for Shanghai on Chinese steamer but steamer seized by Gen. Bei Tsung-chi at Nanking and Soviet officials held there—Gen. Li Tsung-jen departs from Nanking for Hankow to confer with Gen. Cheng Chien—Nanking appoints Tsai Tsung-chi as head of bureau to arrange for liquidation of Sino-Russian interests..Hanyang arsenal at Hankow sends 50,000 rounds of ammunition to Nanking—Gen. Ho Yin-chin arrives at Hsuchowfu to take personal command of Nationalist troops —Nanking dispatch states that railway communication between Nanking and Hsuchowfu will shortly be established.

December 20—Fourth Plenary Session of Kuomintang Central Executive Committee will meet in Nanking between Jan. 1 and 15 according to announcement of *Kuo Min* news agency, the announcement stating that the absence of the six members from Canton not making any differenoe in the original plans—Gen. Bei Tsung-chi resigns as defense commissioner at Shanghai in order to assume command of troops at Hankow—*Kuo Min* report states that Nationalist troops are approaching Lincheng, Shantung where Gen. Chang Chung-chang is trying to make a stand—*Kuo Wen* report states that Gen. Yang Sen is again concentrating troops at Sungtse and Taokiang with object of advancing into western Hunan—Gen. Ho Yin-chin has telegraphed to Feng Yu-hsiang to meet for a conference at Hsuchowfu—Nationalists will hold Shantung-Kiangsu border while Feng Yu-hsiang takes over advance on Peking-Hankow line in order to relieve the pressure on Shansi—Hsuchowfu citizens celebrate defeat of Northern troops—More than 30,000 Feng Yu-hsiang troops advance across Yellow River in advance on Fengtien troops at Yenmengkwan and Lungchuan-kwan—Huang Yi-tse appointed mayor of Wuhu by Anhwei provincial government.

(*Continued from page 102*)

moving in a northwesterly direction along the course of the Yellow River in the direction of Tientsin.

The lack of confidence in Marshal Chang Tso-ling is reflected in the constant drop in the value of his "Fengpiao" or paper currency in Manchuria, the latest quotations being $1,370 in paper for $100 in silver. This has revived rumors of possible rebellions in Chang Tso-ling's camp, the prime actors being Generals Han Lin-chun, Yang Yu-ting and Chang Hsueh-liang, the political forecasters alleging that these generals are likely at any time to rebel against Marshal Chang Tso-ling and declare themselves Nationalists in a hope of saving their position at the sacrifice of Marshal Chang Tso-ling.

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December	27	1924	Vol.	31	No.	4
September	12	„	„	34	„	2
June	20	1925	„	33	„	3
„	27	„	„	„	„	4
Dec.	11	1926	„	39	„	2
Jan.	1	1927	„	„	„	5
„	8	„	„	„	„	6
Feb	12	„	„	„	„	11
„	19	„	„	„	„	12
„	26	„	„	„	„	13
Mar.	5	„	„	40	„	1
Mar.	19	„	„	„	„	3
Mar.	26	„	„	„	„	4
April	2	„	„	„	„	5
April	9	„	„	„	„	6
April	16	„	„	„	„	7
April	23	„	„	„	„	8

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THE CHINA WEEKLY REVIEW
4 Avenue Edward VII
Shanghai.

Chinese Ratepayers Refuse Five Seats on Municipal Council

A further deadlock in the negotiations between the Chinese taxpayers and the foreign authorities of Shanghai has developed as a result of a general meeting of the Chinese Ratepayers Association held at the Chinese General Chamber of Commerce on December 10, when the Chinese organization refused to accept an offer of five seats on the Council which was unoficially made by the Shanghai Municipal Council. No reports of the meeting have appeared in the foreign press of Shanghai, but according to an article appearing in the Chinese newspapers, a member of the Chinese Bureau of Foreign Affairs attended the meeting and reported that the Shanghai Municipal Council had unoficially indicated that the foreign authorities would now be willing to accept five Chinese members on the Council in place of the three which were offered in 1925.

There was considerable discussion regarding the Council's new "offer" but owing to the practically unanimous opposition of the Committee no action was taken. Speeches were delivered by Yu Ya-ching, Chao Ching-ching, Wang Shun-san and Feng Shao-san all contending that unless the Chinese taxpayers of the Settlement could obtain representation on the Council of the International Settlement in proportion to the amount of taxes paid by the Chinese, which was estimated at 80 percent of the total, that they should accept nothing short of equal representation with the foreigners. This would give the Chinese nine seats on the Council

The following officers were elected for the coming year: Chairman, Dr. C. T. Wang; Vice-Chairman, Feng Shao-san; Standing Committee, Chao Ching-ching, Ling Kang-hu and Wu Wen-tsai.

The following members were elected to the Executive Committee to serve for the coming year:

Yu Ya-ching	Hu Chih-hao	Shih Liang-tsai
Feng Shao-shan	Wu Wen-tsai	Tang-Shao-i
Wang Hsiao-lai	Wang Shun-san	Lu Hsun-lu
C. T. Wang	Chen Ting-shu	Lu Chung-pao
Yuan Lu-teng	Hsu Ching-yun	Sheng Tien-hsing
Sung Han-chang	Sun Mei-tang	Lu Po-hung
Chen Kwang-fu	Sheng Lien-fang	Yen Yao-sheng
Chao Ching-ching	Hang Shung-mo	Sun Ching-hsi
Ling Kang-hu	Li Chu-lu	Lu Feng-chu

In addition to the foregoing members of the Executive Committee the following were elected as "candidates" for positions on the Committee, the purpose being to make the form of organization of the Chinese Ratepayers Association conform to that of the Nationalist Government:

Yuan Chen-chu	Tung Han-sun	Pi Sung-sun
Chao Nan-kung	Chen Hsi-chun	Wang Yen-sun
Shih Chih-kuan	Chien Lung-chang	Hsu Hsin-lu

An interesting feature of the meeting was an address by Pan Kung-chen, who represented the Mayor of the Chinese Special Shanghai-Woosung Administrative District, who dealt in considerable detail with the diplomatic history of the International Settlement. Following Mr. Pan's address the Executive Committee voted to appoint a strong legal committee to make a thorough legal investigation of the status of the Shanghai Municipal Council.

Four Chinese Gold Miners Return to China from U. S.

Four Chinese gold miners, pioneers of Alder Gulch, historic mining camp of Virginia City, Mont., have started back to China after many years of labor in the placer diggings which were deserted by the American miners decades ago. According to an Associated Press Dispatch, the Chinese are Chun Jack, Chew Way, Sung Yok and Sund Lung, all of whom have labored nearly sixty years in the area.

Chun is uncertain of his age, but fixes it somewhere between 80 and 100 years. Chew is 84 and Sung and Sund are both more than 70. They are returning to Canton, their native city, to spend the rest of their lives in ease, but the notion that they are going home to die is unthought of. "We no feel well now," Chun explains. "We go back home and take a rest."

A veteran of Alder Gulch is Chun Jack. He came there toward the end of the placer mining rush of the sixties, when the presence of Chinese was no longer resented by the red-shirted miners because they thought the ground was about "worked out."

With his three buddies he worked over diggings that no longer yielded the white men a living. In Last Chance gulch and Chicken ditch they labored, too. The daily cleanup was small, and the finding of a nugget as big as a pea was a cause for excitement in the squalid camp. But their living expenses were low, and constant saving during almost sixty years of toil has enabled them now to start their long-deferred journey back home.

New Books of Interest in the Far East

The Moon Year, by J. Bredon and I. Mitrophanow. Shanghai: Kelly and Walsh. $10.00.

This is a wonderful book, appearing just before Christmas time, not only for those interested in mythology and Saturnalia, and not merely for those who desire an admirable Christmas present, but also for all those whose interest spreads out to things Chinese.

In Western countries we hear of the agitation for calendar-revision. In China the Julian system is already replacing the old Moon Year. The change, of course, is not complete, and it is possible that China and the west together may make a new leap forward. But it is scarcely credible that all the old superstitions that went—that go—with the Chinese cosmology can be thrown off even in generations. They say that the Russian peasant, for all the Revolution, will not be denied his old superstitions;—and the superstitions of Orthodoxy are not a patch on the products of Taoism. Those, therefore, who are interested in the enlightenment of China should study to understand the forces which still hold in chains the mind of China's masses. And those who are no more than interested in things curious might at least like to know.

Why Fire Crackers are used at Chinese New Year;
Why a Clay Tiger is put under a Mah Jong Table;
Why Paper Money is burned at the Spring Festival;
Why Dragon Boat Races are held;
How the Hare got into the Moon;
Who the Eight Immortals were;
Who the Chinese Madonna is;
And how to identify the Chinese Gods.

J. D. M.

Chinese Buddhism

Truth and Tradition in Chinese Buddhism; by Karl Ludvig Reichelt? Translated from the Norwegian by Kathrina Van Wagenen Bugge. The Commercial Press, Limited. Shanghai.

The author of this book has collected a vast amount of very interesting material. With the advantage of long and intimate personal observation of Buddhism in China and what is quite as important a deep appreciation of the good and an understanding of much that seems to the ordinary observer as hopelessly superstitious, he is well equipped for his task.

The reader of a book on Buddhism may be assumed to be more or less interested in religions probably has his own idea of "truth". The author certainly has very definite ideas of what "truth" is but he does not force them upon the reader. The book is a very comprehensive aceount of the long and rich history of Buddhism with a clear presentation of its philosophy. Every reader will find something which is in harmony with his conception of "truth" even though he may find much which seems like superstition. If the subject is new to him he will no doubt, be struck with the many ideas it has in common with Christianity and other religions which goes to prove that we are all working towards a common goal. Dr. Reichelt has taken as a motto for his book the central thought of Chinese Buddhism "The salvation of all living things". Surely it would be difficult to find anywhere a higher conception of good. He has gone beneath the layer of sordidness and superstition which is about all the ordinary observer sees and has found the beauty and philosophy which is the real Buddhism. The author has been a missionary in China for twenty years and naturally his purpose in life is the bringing of Christianity to the Chinese. These sentences which appears in the chapter on "The Pure Land School" indicates a broad-mindedness and vision which is not found every day. "In the time of reckoning which must inevitably take place before long in the East between Christianity and Buddhism it will be important above all things to bold fast to the fact there is much common ground in spite of the many and great differences". "This common possession consists of the fundamental principals of life."

Much that is mysterious to the casual observer—the ceremonies, pilgrimages, the monastic life is made clear in this book and one leaves it with the idea that what has seemed but a fantastic show has a deep religious meaning. The writer tells us that there is a religious awakening being felt in many parts of China which is manifesting itself in new forms, but behind them all Buddhism is to be traced. "If one wishes to understand China one must see it in the light of Buddhism."

Shanghai Dec. 17 1927. B. M. P.

A Romance of China's Crumbling walls

Crumbling Walls, a Novel of Chinese Life by Joan Conquest, author of Desert Love, etc. Frontispiece by Victor Beals; New York, the Macaulay Company.

The novelists are now having their turn at China and welcome they are if their products are always as succesful as Crumbling Walls by Miss Conquest who spent considerable time in China last year gathering information for this tale of changing customs from old to new in Chinese family life. The title "Crumbling Walls" is happily Chosen. The book is somewhat difficult to read at the beginning due to the attempt on the part of the author to imitate the literal translation of the Chinese idiom but it is well worth while for its an entertaining story.

It's a story of a Chinese youth, Fang Chung-yung, western educated, and his love for "Green Jade" the beautiful daughter of another House of Han. But Chinese ol' custom intervened and the youth and the maid were mated by their parents to someone else. By a curious turn of fate, Fang was mated with Green Jade's sister and Green Jade was mated with a wealthy but dissolute merchant with many concubines. The unraveling of the romince holds the interest to the final chapter.

Of particular interest are the descriptions, quite accurate, of marriage customs, filial piety in respect to the duties of sons and daughters to parents in matters of marriage, and so on. The book is well worth reading and particularly so on the part of foreign residents of China who live in China but who have never taken the trouble to find out what it is all about.

B. J.

A Different Negro Story

Porgy, by Du Bose Heywood; The George H. Doran Company, N. Y,

Porgy is an attempt, and a most successful one, to write a 'different' Negro story. It's a serious treatment of Negro life with both tragedy and comedy which conveys a true picture quite different from the clownish characters one is accustomed to reading about in the magazines. The background is Charleston, S. C. and Porgy the chief character is a cripple, who, to use the author's words, "lived in the golden age. Not the Golden Age of a remote and legendary past; nor yet the chimerical era treasured by every man past middle life, that never existed except in the heart of youth; but an age when men, not yet old, were boys in an ancient, beautful city that time had forgotten before it destroyed."

The book was unanimously acclaimed for its excellence, both in language and story by the New York reviewers and Henry Bellamann in the Columbia, S. C. *Record* declares the book is "at once reminiscent of Conrad.....Du Bose Heyward has done better poetry in spots of Porgy than he has ever done in verse. There are some paragraphs that emerge from his prose that are no longer prose."

The book contains wonderful description: Catfish Row, the Negro quarter that had seen better days suggested by "the massive grill of Italian wrought iron, and a battered capital of marble surmounted each of the gate-posts." Residents of the old seaport cities will recognize this as the mansion of a byegone merchant prince. Then there is the desciption of the storm, the Negro funeral, and others but "Porgy" must be read to be appreciated. B. J.

Readers of *The Review* who are unable to obtain books reviewed on this page from local book stores may communicate with *The Review* and they will be obtained from the publishers abroad at cost plus postage.

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Latest New York Stock Exchange Quotation

Dec. 21, Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Strong Business Done 2,800,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	154½	153
American Can (Common)	72⅞	76½
Armour & Co. 7% Pfd (Illinois)	132½	mutilated
Amer. Smelting & Refining (Common)	67½	66¾
American Telephone & Tel. (Common)	181⅝	179⅛
Bank of Montrial	175¼	172½
Baldwin Locomotive Co. (Common)	330	333
Bethlehem Steel (Common)	59	56¾
Bethlehem Steel, Pfd. 7%	117½	117¾
Canadian Pacific Railway	216⅜	213¾
Canada Dry Ginger Ale	54	53¾
Cheasapeake & Ohio (Common)	207	206⅞
Eastman Kodak Co. (Common)	mutilated	166¼
General Baking "A"	76½	76⅜
General Electric (Common)	mutilated	134
General Motors (Common)	132¾	135¼
Goodrich (B.F.) Co. (Common)	mutilated	93⅞
International Match, Pfd.	89½	90⅞
International Nickel (Common)	72⅜	79¼
Ligget & Myers, Class "B"	123⅝	122¾
Mack Trucks (Common)	107¾	107¼
New York Central (Common)	164	164
Packard Motor Car Co. (Common)	57	58¾
Phillips Petroleum (Common)	41⅛	41½
Pacific Gas & Electric	46¾	48¾
Radio Corp. of America (Common)	94⅞	93½
Reynolds Tobacco, Class "B"	158	157
Standard Gas & Electric (Common)	60	59¾
Schulte Retail Stores (Common)	53¼	52
Southern Railway (Common)	146⅜	146¼
Standard Oil of California	55¼	56
" " of New Jersey	39⅝	39⅞
" " of New York	31¼	31⅞
" " of Indiana	77	79¼
Texas Corporation (Common)	53¼	53
Tobacco Products, Class "A"	118¾	117¼
Union Carbide	149½	148½
Union Pacific RR. (Common)	194	194¼
United Fruit	146	143½
United Drug (Common)	193	193½
United States Rubber (Common)	56¾	56
United States Realty & Imp. Co.	68⅛	67¼
United States Steel	149¾	147⅞

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Dec. 8th	Sale Price Dec 15th	Approx. Yield to Maturity Dec. 15th
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108¼	108⅜	7.24
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	105¼	105½	6.96
Republic Chile S.F. Loan	7	Nov. 1, 1942	102¼	101¼	6.88
Argentine Ext. S.F. Loan	6	May. 1, 1960	99⅜	99⅛	6.04
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	97¼	97	7.27
Austrian S. F. G. Loan..	7	June 1, 1943	103½	103¾	6.60
French Ext. S. F. Loan	8	Sept. 15, 1945	110¾	110⅝	6.96
Japanese Govt. (£).....	5	1907/1947	83½	83½	6.51
German Govt. S. F. Loan	7	Oct. 15, 1949	106	106¼	6.46
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	99⅛	99¾	7.02
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	100	100¼	6.97
German G.E.C.S.F. Loan	7	Jan. 15, 1945	102⅞	103	6.70
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	98¼	98¼	6.64
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98⅞	98⅞	6.65
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100¼	100¼	7.47
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100¼	100⅛	6.95
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	97¼	97½	7.18
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	102½	102½	6.86
Willys Overland Co.....	7	Pfd. Stock	94	93¼	7.49
The National City Bank of New York.....	20	Stock	720	730	2.74
Republic of Peru, Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	106½	107½	6.94
Saxon Public Works Inc.	6½	May 1, 1951	——	95½	6.89
Paris Lyons & Med. R.R.	6	Aug. 15, 1958	——	95	6.37
Lawrence Portland Cement Co.	5½	Apl. 1, 1942	——	98½	5.65
Italian Credit Consortium for Public Works "B".....	7	Mar. 1, 1927	——	94½	7,55

Shanghai Exchange for Week Ending Wednesday, December 21, 1927

By Maitland, Fearon and Brand

Exchange:—A further decline in the price of Bar Silver in London has taken piace during the past week, today's quotations 26 7/16d. ready and 26 5/16d. two months forward are respectively ½d. and ⅜d. below those rulingthis day last week; during the same period the price in New York has declined from 58⅜c. to 57⅞. The official T/T rate on London is ¼d. lower @2/7d. An easier tone is noticeable in the exchange market in spite of the fact that quiet a fair quantity of export paper has been placed. At the close of business the tendency today appears to be still downward. The following rates for Gold remittances near delivery, are available:—T/T on London 2/7 1/16d. New York 63¼ while for March delivery quotations are approximately 1/16d. lower for sterling and ½c lower for Gold dollars.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 53,818,000 a decrease of Tls. 4,938 000

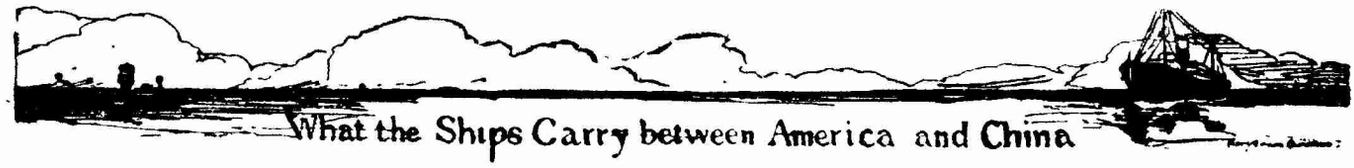
Chinese and Mexican Dollars..... $ 74,510,000 a decrease of $710,000

Estimated value Tls. 107,465 000 as against Tls. 124,217,000 held at this time last year.

	Average rates for Nov.	Thursday Dec. 15	Friday Dec. 16th	Satur Dec. 17th	Monday Dec. 19	Tuesday Dec. 20th	Wednesday Dec. 21th
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6 827	2/7¼	2/7¼	2/7¼	2/7¼	2/7½ 2/1	2/7
D/Dfts ,,	—	2/7 5/16	2/7 5/16	2/7 5/16	2/7 5/16	2/7 5/16 2/7 1/8	2/7 1/16
4 m/s ,,	—	2/7½	2/7½	2/7½	2/7½	2/7½ 7/2¼	2/7¼
T/T India	171.125	172	172	172	172	172 170¾	170¾
T/T France	1,592,308	1615	1615	1615	1615	1615 1602	1600
T/T N. Y.	62.601	63½	63½	63½	63½	63½ 63	63
T/T Demand		63⅝	63⅝	63⅝	63⅝	63⅝ 63⅜	63⅜
T/T Hamburg		266	266	266	266	266 264	264
T/T H'kong	79.202	79¼	79¼	79½	79½	79½ 79½	79¾
T/T Japan	73.538	72⅛	72½	72⅝	72⅝	72⅞ 73½	73½
T/T Batavia	154.625	156½	156½	156½	156½	156½ 155¼	155¼
T/T Straits	90.351	90	90⅝	90⅝	90⅝	90⅝ 91½	91½
Bk's buying rates 4 m/s B/L. Cred. D/A	2/8 827	2/9¼	2/9¼	2/9¼	2/9¼	2/9½ 2/9	2/9
4 m/s ,, D/P	—	2/9⅜	2/9⅜	2/9⅜	2/9⅜	2/9⅜ 2/9⅛	2/9⅛
6 m/s ,, B/L Cred D/A	2/9.139	2/9 3/16	2/9 3/16	2/9 3/16	2/9 3/16	2/9 3/16 2/9 5/16	2/9 5/16
4 m/s B/F Cred D/A or D/P	1,722.308	1745	1685	1685	1685	1685 1675	1675
4 m/s N.Y.Lc	65.976	66⅞	66⅞	66⅝	66⅞	66⅞ 66⅜	66⅜
4 m/s ,, Docs	—	67⅜	67⅜	67⅜	67⅜	67⅜ 66⅞	66⅞

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Dec. 15	Dec. 16	Dec. 17	Dec. 19	Dec. 20	Dec. 21
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 7/8	26 8/16	26 13/16	26 13/16	26 11/16	26 7/16
**New York Price of Bar Silver per oz. (Pure)	G. $.58⅛	G.$.58⅛	G. $. 58⅜	G. $. 58½	G. $. 58⅛	G. $.57¾
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 354.80	Tls. 352.90	Tls. 353.90	Tls. 355.90	Tls. 360.80	Tls. 360
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.90	110.99	110.90	110.90	110.90	110.90
Shanghai Mexican Dollars per $100.....	72.875	72 80	72.75	72.7375	72.75	72.7375
Native Bank Rate of Interest (Call money).....	1%	1½%	1½%	1%	1%	1%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.
Bank of France rate of discount	5%	New York on London	T/T 488¼
London open Market of Dis. 3 m/s	4⅝%	Bombay on London	T/T 1/6 1/16
,, 4 ,,	4⅝%	Hongkong on London	T/T 2/0¼
,, 6 ,,	4⅝%	Kobe on London	T/T 1/10 11/16



Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds. Bls.—Bales; Pcs.—Pieces; Mills—thousands; Hk. Tls.—Haikwan Tls., Nov. Customs Rate Tls. 1.46 equal Gold $1

HALERIC, November 2.

From U S. A.

Cement	Pls.	232
Grease, Lubricating, Mineral	,,	6
Oil, Lubricating, Mineral Galls.		1,792
Oil, Kerosene, in Cases	,,	1,455,635

KOREA MARU, November 16.

To New York.

Silk Piece Goods	Pls.	1.92
Silk, Raw, Re-reeled: White, Shanghai Bls. 50	,,	0 06
White, other Ports Bls. 50	,,	50.05
Skins, Dog, Tanned ..	Pcs.	1,500

To San Francisco.

Silk, Raw, Re-reeled: White, other Ports Bls. 50	Pls.	50.13
Tea, Black: Congou, Hankow ..	,,	423
,, Kiukiang..	,,	515
Tea, Green, other Kinds other Ports ..	,,	176
Cotton Rags.....	,,	2,433
Beef, Fresh.....	,,	25
Eggs, Fresh	Mille	19

To Philadelphia.

Silk, Waste....Bls. 16	Pls.	50
Silk, Cocoon Strippings B's. 7	,,	23

To Los Angeles

Tea, Green: Gunpowder, Ningpo.	Pls.	5

To Honolulu.

Brassware	,,	3

SHINYO MARU, November 19.

From U. S. A.

Canned Asparagus ..	Pls.	6
,, Fruits	,,	26
,, Goods, Unclassed	,,	33
Cigarettes	Mile	1,170

NAGASAKI MARU, November 19.

from U S. A.

Tinned Plates, Plain ..	Pls.	840

PRESIDENT CLEVELAND, November 19.

From U. S. A.

Canned Asparagus ...	Pls.	7
,, Fruits	,,	50
Fruits, Dried	,,	121
Grease	,,	150
Lampwick	,,	8
Leather, Sole	,,	360
Milk, Condensed	,,	720
Oranges, Fresh.....	,,	108
Paper, Unclassed	,,	296
Raisins	,,	260
Motor-cars	Pcs.	1
Oil, Lubricating, Mineral Galls.		1,134
Infants' Food.....Hk. Tls.		4,542
Treasure: Silver Bars.....	,,	$59,949

HAMBURG MARU, November 21.

from U. S. A.

Steel, Pamboo	Pls.	450
Wax, Paraffin	,,	1,933
Oil, Lubricating, Mineral Galls.		4,675
,, Unclassed	,,	1,763

TSUYAMA MARU, November 23.

To Boston.

Silk, Refuse..Bls. 14.	Pls.	47
Cotton, Raw ..Bls. 100	,,	394
Wool Sheep's.....	,,	180

To Cincinnati.

Tea, Green: Hyson, Kiukiang ..	,,	7
Young Hyson, Kiukiang	,,	25

To Montreal.

Tea, Green: Gunpowder, Ningpo.	,,	50
Gunpowder, other Ports	,,	70

To Toronto.

Tea, Green: Young Hyson, other Ports	,,	47

To San Francisco.

Tea, Leaf, Unfired, Hankow	,,	499
Tea, Leaf Unfired, Kiukiang	,,	39
Tallow, Vegetable	,,	840

To New York.

Silk Pongees, Honan ..	Pls.	36.65
Silk, Waste, Cocoon Stripp'ngs Bls 126..	,,	59.00
Tea, Black: Congou, Hankow .	,,	221
Congou, other Ports	,,	58
Other Kinds, Kiukiang	,,	23
Other Kinds, other Ports	,,	23
Tea, Green: Gunpowder, Ningpo.	,,	396
Gunpowder, other Ports	,,	14
Hyson, other Ports..	,,	39
Young Hyson, other Ports	,,	50
Other Kinds, other Ports	,,	7
Antimony, Regulus ...	,,	2,016
Brassware	,,	10
Cotton, Raw Bls 1,000	,,	3,914
Egg Albumen, Dried ..	,,	231
,, Yolk, Dried.....	,,	260
Hides, Buffalo	,,	577
Nutgalls	,,	1,244
Oil, Wood	,,	277
Seed, Sesamum	,,	1,092
Tallow, Vegetable	,,	769
Wool, Sheep's	,,	1,366

PRESIDENT GRANT, November 26.

To Seattle.

Tea, Green: Gunpowder, Ningpo.	Pls.	7
,, other Ports	,,	18
Skins Goat, Moufflon	Pcs.	1,701

To Huntingdon.

Silk, Raw, Steam Filature: White, Shanghai Bls. 145	,,	143.49

To Luzerne.

Silk, Raw, Steam Filature: White, Shanghai Bls 25	Pls.	24.77

To Shamokin.

Silk, Raw, Steam Filature: White, Shanghai Bls. 250	Pls.	250.88

To Kansas City.

Tea, Green: Gunpowder, Ningpo.	Pls.	186
,, other Ports	,,	32

To Buffalo.

Silk, Raw, Steam Filature: White, Shanghai Bls. 255.....	Pls.	252.82

To Philadelphia.

Wool, Sheep's	Pls.	67

To Chicago.

Tea, Green: Gunpowder, Ningpo.	,,	144

To New York.

Silk, Raw, Steam Filature: White Shanghai Bls. 31	Pls.	31.13
White, other Ports Bls. 6	,,	6.05
Silk, Raw, Re-reeled: from Doupions: Shanghai....Bls. 20	Pls.	20.00
Silk Raw, Filature: White, other Ports Bls. 75.....	Pls.	76.12
Silk, Waste: Shanghai ....B's 3	,,	1.46
Bristles, Assorted	,,	15
Egg Yolk, Dried.....	,,	168
Hides, Buffalo	,,	306
Rhubarb..	,,	76
Skins, Dog, Tanned ..	Pcs.	4,910
,, Rabbit, Untanned	,,	30,000

To Boston.

Cotton, Raw Bls. 248	Pls	982

To St. Louis.

Tea, Green: Gunpowder, Ningpo	,,	157

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market during the past week showed hardly any animation in that the demand for the local staple on the part of consumers was practically nil, whereas offerings were plentiful, which generally evolves depressions in prices but of which very little or hardly any advantage was taken owing to the continued weakness in the U. S. A. market. Furthermore the mills which have considerably reduced their spindleage are apparently in no pressing need of the local fibre so long as the stagnancy in the yarn trade continues with very little signs of immediate improvement and they are justified in their attitude to adopt a hand-to-mouth policy. These circumstances have to a certain extent dampened the ardour of the speculative element and the immediate future trend inclines more for weaker markets irrespective of the rates of foreign staples being still comparitively higher when compared with that of the domestic growth. However, any palpable improvement in the demand for yarn will instantly react on the raw material, in which event one cannot foresee to what heights the rates will ascend.

Yarn:—During the past week the yarn market has been a shade on the easy side, due to the continued militaristic movements, causing inactivity on the part of exporters. Business for export has been booked in all some 6000 to 7000 bales during the week under review.

Liverpool:—

American-Middling	10.64
American-Middling last reported	10.89
Tone of the Market,	*Steady*

New York Market:—

Price of Mid-Amer.	19.25 Spot
	18.68 Jan.
	18.89 Mar.
	19.02 May.
	19.02 July.
	18.60 Oct.

Tone of the market—*Steady*

Indian Market:—

Fully Good Bengal, D./J.	298
Fine Oomra, D/J.....	332
Fully Good Broach, A./M.	367

Shanghai Market:—

	Tls.
Tungchow, O./N. exwharf	34.00
Shanghai, O./N.....	32.00
M. Ginned, Spot.....	32.50
Shensi, No. 1 O./N./Dec.	34.00
Ningpo. Spot, Exwharf.	29.60

Tone of the market—*Steady*

Tone of the market—*Easier*

American Policy Re-stated

(*From the Peking Leader*)

In his annual message to Congress, on December 6, 1927, President Coolidge made certain reference to American relations with China. One point he did not touch on (to judge from the cabled reports, and it is practically certain that the news agencies would have cabled something on the subject if he had said anything). This is the important question of American relations with other powers in dealing with Chinese questions. The newly-returned American minister—who had just come from long conversations with the government authorities in Washington—made certain statements on this subject in the course of talks with newspapermen while in Japan on his way back to China. President Coolidge's statements, supplemented by the remarks of Mr. MacMurray, constitute not a statement of a new American policy but a re-statement of the former policy which is of considerable importance,

Before passing to these remarks, it is perhaps worth noting that both the *United Press* and *Reuter* cabled fairly full summaries of President Coolidge's message. In most cases (in all of those quoted below) statements relating to China were given in apparently verbatim form. There are some slight differences between the two reports, in the matter of order, and a minor phrase or two, but the essential meaning is exactly the same. *Reuters* version is slightly more concise than that of the *United Press*. Hence it is the one selected below.

Dealing with the question of China, President Coolidge said:

> We were compelled to send naval and marine forces to China to protect the lives and property of our citizens. Fortunately their simple presence was sufficient to prevent material loss of life but there has been considerable loss of property. That unhappy country is torn by factions and revolutions which bid fair to last indefinitely. Meanwhile, we are protecting our citizens, and are ready to co-operate with any government which may emerge in promoting the welfare of the people of China. They have always had our friendship and should especially merit our consideration in these days in their distraction and distress.

The implications of certain points in this statement are worth further consideration.

"We are ready to co-operate with any government which may emerge in promoting the welfare of the people of China". This obviously implies that the United States does not intend to recognize, in the technical diplomatic sense, any of the present "governments" in China. Had recognition been contemplated, there is little doubt that the word would have been used. Instead, President Coolidge speaks of "co-operating with any government which may emerge"—clearly indicating that no government has as yet "emerged" sufficiently to be recognized as the government of all China.

In speaking of "co-operating with any government .....in promoting the welfare of the people of China", President Coolidge clearly implied that the United States would be ready to work with the *de facto* authorities, in so far as such co-operation may seem desirable from the point of view not of American aggression of China but of the basic interests of the Chinese people as distinct from the military overlords.

"Which bid fair to last indefinitely". The phrase is somewhat vague, but no one, even among those in most close personal touch with the situation, could be more specific. For this indefinite period, the implication is, the United States will continue to withhold formal diplomatic recognition of any government in China—because there is no government of the whole country.

"....*Any* government". The United States, the implication is clear, is concerned not with the form of the government which in due course will emerge but only with whether it is reasonably stable and has authority over the substantial part of the country.

The meaning of other remarks is directly apparent.

In passing through Japan, Mr. MacMurray touched on the point of American relation with other powers concerned in Chinese affairs. The *Japan Advertiser* (November 30) quotes him as saying:

> The government (of the United States) prefers to work in unison with other countries in China and will continue to do so".

The *Japan Chronicle* (December 1) reports that he said:

> We shall not bind ourselves to act in concert with the other powers, and we reserve the liberty to act independently if we think it right to do so."

These two statements do not contradict each other; they simply serve as complements which, together, give a concise wording of what has been the American attitude.

President Coolidge's remarks, supplemented by those of Mr. MacMurray, thus give a re-statement of American policy which can be summarized as follows:

1. The American government will continue to act on the basis of the friendship which the American people feel for the people of China.
2. Formal diplomatic recognition of a government of China will be withheld until there is some government which is reasonably stable and which properly can be considered the government of the country as a whole.
3. The United States will be interested in the stability and range of authority of the government it recognizes, not in the form of that government.
4. Pending the emergence of a diplomatically recognizable government—which may not come for an indefinite period—the United States will deal with local authorites as circumstances and the maintenance of friendly relations require.
5. The United States intends to continue to protect the lives and property of its citizens, during the present period of disturbance, even though such protection require the maintenance in China of bodies of American armed forces.
6. The United States recognizes that the present is a period of "distraction and distress" for the people of China, and its dealings with individual situations as they arise will be determined by friendship and the consideration which the conditions in China require.
7. The United States stands ready to work in harmony with the other powers concerned in Chinese affairs, but it refuses to make any pledge of joint action in advance and it reserves independence of action at any time when, in its opinion, this is right.

There will be some who will feel that such an American policy is not the one required by present circumstances in China. There will be others who wish that the statement of policy might have been more specific, and that certain definite steps had been promised which could be taken without the necessity of negotiating with Chinese authorities. On the whole, however, there is no doubt that, in such a policy as that outlined, President Coolidge will have the support of the great majority of the American people. It is friendly, fair and well adapted to conditions as they are in China today.

State Department Changes Attitude on S. M. R. Lonn

(*From the Osaka Mainichi*)

New York, Dec. 6.—According to information obtained from reliable sources, the repeated Chinese protests to the United States against the South Manchuria Railway loan have resulted in halting the negotiations. The bankers interested in the loan have decided to postpone further negotiations indefinitely.

Hitherto Government officials have declared that the loan was a private matter, and that the State Department would offer no objection to the deal being put through.

A complete change in the attitude of the State Department towards the loan is now seen in the statement made by officials that the loan had never been formally brought to the attention of the State Department, and that consequently the attitude of the Department would not be determined until such time as its attention was formally drawn thereto.

The "New York World," however, understands that the loan never will be brought to the attention of the State Department. The "Journal of Commerce, in commenting on the position, says that in view of the recent expressions of anti-Japanese sentiment in China and some embarrassment caused by the projected loan, the U. S. Government does not wish to appear to be supporting the Japanese policy in Manchuria." Extending assistance to Japan to strengthen Japan's position in Manchuria has thus presented a new problem.

The "Journal of Commerce" reports that a group of British and Japanese bankers are going to negotiate the S. M. R. Loan if it should be refused by J. P. Morgan and Company, while the "New York Times" reports a new line-up will be made which will result in the financing being done in the domestic market of Japan.

Another Chinese Protest

Mukden, Dec. 6—The Legislatures of Mukden, Kirin and Heilungkiang Provinces, known as the "Three Eastern Provinces" in their joint name, have sent a telegram to President Coolidge, asking him to prevent the flotation of a South Manchuria Railway loan in America.

American Chamber of Commerce Entertains Chinese Bankers

The Committee of the American Chamber of Commerce of Shanghai on Tuesday evening, Dec. 20 gave a dinner at the American Club in honor of the members of the Chinese Bankers Association, this being one of a series of functions for members of the Chinese business community in Shanghai which the American Chamber has been giving. Several addresses were delivered on the subject of Chinese-American relations.

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DIFFERENT TINS OF THE SAME
BRAND SEEM DIFFERENT IN
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